



**Buffalo and Erie County Industrial Land Development Corporation
Meeting of the Membership
March 26, 2025 At 12:45 p.m.
ECIDA Offices
95 Perry Street, 4th Floor Conference Room
Buffalo, New York 14203**

1.0 Call to Order

2.0 Approval of Minutes

- 2.1 Approval of the January 22, 2025 Meeting of the Membership Minutes (Action Item) (Pages 2-4)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Informational) (Pages 5-8)
- 3.2 Finance & Audit Committee Update (Informational) (Page 9)
 - a) Committee Self-Evaluation (Informational) (Pages 10-14)
- 3.3 Audited Financial Statements (Action Item) (Pages 15-40)
- 3.4 2024 – Investment Report (Action Item) (Pages 41-43)
- 3.5 Governance Committee Report (Informational) (Pages 44-45)
 - a) Committee Self-Evaluation (Informational) (Pages 46-49)
 - b) Board of Directors Evaluation/Survey (Informational) (Page 50-52)
- 3.6 Loan Status Report (Informational) (Page 53)
- 3.7 RCP Brownfield Cleanup Program Gen. 1 extension legislation update (Informational) (Pages 54-55)

4.0 Annual Reports & Policies (Separate Package)

- a 2024 - Mission Statement, Performance Measures and Results (Pages 2-16)
- b. 2025 - Mission Statement and Performance Measures (Pages 17-25)
- c. 2024 - Public Authorities Report (Pages 26-80)
- d. Airborne Infectious Disease Policy (Action Items) (Pages 81-89)
- e. Freedom of Information Law (FOIL) Policy (Action Items) (Pages 90-94)
- f. Investment and Deposit Policy (Action Item) (Pages 95-102)
- g. Property Disposition Guidelines (Action Items) (Pages 103-109)
- h. Record Retention and Disposition Policy (Action Items) (Page 110)
- i. Sexual Harassment Policy (Action Items) (Pages 111-121)

5.0 Management Team Reports:

- 5.1 2024 Year in Review

6.0 Adjournment- Next Meeting – April 23, 2025

**MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(ILDC)**

- DATE AND PLACE:** January 22, 2025, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Daniel Castle, Richard Lipsitz, Jr., Hon. Mark Poloncarz and Hon. Taisha St. Jean Tard
- EXCUSED:** Denise Abbott, Hon. Timothy Meyers and Hon. Christopher Scanlon
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations; Jerry Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Carrie Ann Hocieniec, Operations Assistant/ Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager, Brian Krygier, Director of Information Technology; Lori Szewczyk, Director of Grants; Andrew Federick, Property and Business Development Officer; Robbie Ann McPherson, Director of Marketing & Communications and Robert G. Murray, Esq., General Counsel/Harris Beach Murtha
- GUESTS:** Yessica Vasquez on behalf of City of Buffalo; Jonathan Epstein on behalf of Business First; Joe Petrucci and Matthew Campbell on behalf of J.G. Petrucci

There being a quorum present at 12:04 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (the "ILDC") was called to order.

NEW BOARD MEMBERS

Mr. Poloncarz welcomed two new members to the Board: Hon. Timothy Meyers, Chair of the Erie County Legislature, and Hon. Taisha St. Jean Tard, Chair of the Erie County Legislature Economic Development Committee, who was present at the meeting.

MINUTES

Mr. Lipsitz moved, and Mr. Castle seconded to approve of the November 20, 2024 minutes. Mr. Poloncarz called for the vote, and the minutes were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Renaissance Commerce Park Light Manufacturing RFP Award. Mr. Federick provided background on the ILDC's issuance of an RFP for a preferred developer to construct an approximately 200,000 square-foot light manufacturing/warehousing space (via a build-to suit project) facility at Renaissance Commerce Park ("RCP") on Sites II-6 and II-7. Mr. Federick informed the Board that J.G. Petrucci Company, Inc. was selected as such preferred developer. Mr. Federick introduced Mr. Matt Cambell and Mr. Joe Petrucci from J.G. Petrucci Company, Inc., who described J.G. Petrucci Company, Inc's business proposal. Mr. Poloncarz confirmed that the MWBE provisions within the RFP are not a statutory requirement but goals of the Project and the ILDC.

Mr. Lipsitz moved, and Ms. St. Jean Tard seconded, to approve the ILDC entering into (i) a purchase and sale agreement to sell RCP Sites II-6 and II-7 to J.G. Petrucci Company, Inc., and (ii) a Brownfield Site Cleanup Agreement Amendment with respect to RCP Sites II-6 and II-7. Mr. Poloncarz called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ILDC") AUTHORIZING THE ILDC TO (i) SELL RCP SITE #2 and #3 (AS MORE FULLY DEFINED HEREIN) TO J.G. PETRUCCI COMPANY, INC ("JGPC"); (ii) NEGOTIATE, EXECUTE, AND DELIVER AN AGREEMENT OF PURCHASE AND SALE TO SELL RCP SITE #2 and #3 TO BE ENTERED INTO WITH JGPC; (iii) EXECUTE AND DELIVER A BROWNFIELD SITE CLEANUP AGREEMENT AMENDMENT WITH RESPECT TO RCP SITE #2 and #3; AND (iv) MAKE A DETERMINATION PURSUANT TO THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT

Conveyance of Dona Street Extension to the City of Lackawanna. Mr. Murray explained the proposed execution of a deed in favor of the City of Lackawanna (the "City") for the purposes of conveying to the City approximately 2.20 acres of public roadway and other related appurtenances known as "Dona Street" located within the City of Lackawanna Renaissance Commerce Park ("RCP"), for the purposes of redevelopment thereof.

Mr. Castle moved, and Mr. Lipsitz seconded to approve of the sale of the Dona Street and its related appurtenances to the City. Mr. Poloncarz called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (i) AUTHORIZING THE EXECUTION AND DELIVERY OF A DEED CONVEYING THE "DONA STREET" ROADWAY TO THE CITY OF LACKAWANNA FOR USE AND MAINTENANCE AS A PUBLIC ROAD (AS MORE PARTICULARLY DESCRIBED HEREIN); (ii) ADOPTING FINDINGS WITH RESPECT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT ("SEQR"); (iii) CONFIRMING THAT THERE IS NO REASONABLE ALTERNATIVE

TO A BELOW FAIR MARKET VALUE TRANSFER OF DONA STREET TO THE CITY OF LACKAWANNA; AND (iv) AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS WITH RESPECT TO THE FOREGOING

Renaissance Commerce Park NYS Brownfield Cleanup Program Generation 1 Tax Incentive Deadline Extension Legislation Presentation. Mr. Federick informed members of efforts to extend the Brownfield Cleanup Program Tax Credit for the Brownfield Cleanup Program Generation 1 Sites located within the RCP.

RCP NYS Shovel-Ready Designation. Mr. Federick informed members of the newly assigned designation of the Renaissance Commerce Park as "shovel ready" and the significance of such designation.

NYSERDA Site Asset Analysis by Global Location Strategies. Mr. Federick informed the Board that Renaissance Commerce Park received preferred scoring upon completion of site analysis by Global Location Strategies.

Sucro Sourcing RCP Land Closing. Mr. Federick informed the Board that the sale of Site II at Renaissance Commerce Park to Sucro Sourcing closed in December 2024, and new investment and expansion of Sucro Sourcing facilities will begin this spring.

Erie County Ag Park Logo. Mr. Federick displayed the new Erie County Agribusiness Park logo.

Update on Erie County Agribusiness Park Access Road Project. Mr. Federick updated the Board on building demolition activities that occurred in December 2024 to begin site preparation for new roadway construction.

Loan Status Report. Mr. Manhard provided this report to Board members. Mr. Poloncarz directed that the report be received and filed.

Finance and Audit Committee Update. Ms. O'Keefe updated members on the most recent Finance & Audit Committee meeting whereat the 2024 audit plan was discussed.

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 1:07 p.m.

Dated: January 22, 2025

Elizabeth A. O'Keefe, Secretary

Industrial Land Development Corp.
Financial Statements
As of February 28, 2025

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

February 28, 2025

	February 2025	January 2025	December 2024
ASSETS:			
Restricted Cash *	\$ 1,408,566	\$ 3,563,452	\$ 3,672,036
Grants Receivable	6,185,177	6,413,558	6,413,558
Loans Receivable, net	394,741	408,934	364,170
Prepaid Acquisition Costs	705,372	705,372	705,372
Total Current Assets	8,693,856	11,091,315	11,155,136
Capital Assets	5,941,332	5,941,332	5,941,332
Total Assets	\$ 14,635,188	\$ 17,032,647	\$ 17,096,468
LIABILITIES & NET ASSETS:			
Accounts Payable	\$ 1,530	\$ 1,234	\$ 66,803
Due to/(from) ECIDA	1,913,176	4,264,233	4,249,733
Other Liabilities	5,306,507	5,371,451	5,373,133
Total Liabilities	7,221,213	9,636,918	9,689,668
Restricted Fund Balance	7,413,975	7,395,729	7,406,799
Total Liabilities & Net Assets	\$ 14,635,188	\$ 17,032,647	\$ 17,096,468

Loan Portfolio Summary:	February 2025	January 2025	December 2024
# of Loans	42	44	42

* Cash is invested in interest bearing accounts at M&T Bank. The maximum FDIC insured amount is \$250,000 with the remainder collateralized with government obligations by the financial institution.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement Month of February 2025

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 1,978	\$ 1,600	\$ 378
Grant Income - Microloan Program	-	19,500	(19,500)
Operational Grant	-	20,800	(20,800)
Other Income	1,750	2,000	(250)
Total Revenues	3,728	43,900	(40,172)
EXPENSES:			
Management Fee - ECIDA	\$ 14,500	\$ 14,500	\$ -
Professional Services	-	3,800	(3,800)
General Office Expenses	77	400	(323)
Other Expenses	(37)	600	(637)
Total Expenses	3,565	19,300	(15,735)
SPECIAL PROJECT GRANTS:			
Industrial Land Park - ESD	21,805	138,500	(116,695)
Industrial Land Park - ECIDA	99,860	8,300	91,560
Angola Ag Park - ECIDA Grant	308	2,100	(1,793)
Other grant revenue	41,450	21,300	20,150
Industrial Land Park costs	(101,350)	(146,800)	45,450
Angola Ag Park costs	(2,836)	(2,100)	(736)
Other grant expenses	(41,450)	(29,700)	(11,750)
Total Special Project Grants	17,787	(8,400)	26,187
NET OPERATING INCOME/(LOSS):	17,951	16,200	1,751
NONOPERATING REVENUE:			
Interest Income	295	200	95
Total Nonoperating Revenue	295	200	95
NET INCOME/(LOSS):	\$ 18,246	\$ 16,400	\$ 1,846

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2025 budget.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement

Year to Date: February 28, 2025

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 3,671	\$ 3,200	\$ 471	\$ 3,671	\$ 2,946	\$ 725
Grant Income - Microloan Program	-	39,000	(39,000)	-	-	-
Operational Grant	-	41,700	(41,700)	-	-	-
Other Income	3,500	3,900	(400)	3,500	-	3,500
Total Revenues	7,171	87,800	(80,629)	7,171	2,946	4,225
EXPENSES:						
Management Fee - ECIDA	\$ 29,000	29,000	-	\$ 29,000	\$ 4,000	\$ 25,000
Professional Services	-	7,600	(7,600)	-	-	-
General Office Expenses	521	800	(279)	521	422	99
Other Expenses	(237)	1,200	(1,437)	(237)	-	(237)
Total Expenses	18,309	38,600	(20,291)	18,309	4,422	13,887
SPECIAL PROJECT GRANTS:						
Industrial Land Park - ESD	21,805	277,000	(255,195)	21,805	-	21,805
Industrial Land Park - EDA	-	-	-	-	-	-
Industrial Land Park - ECIDA	100,167	16,700	83,467	100,167	79,963	20,204
Angola Ag Park - ECIDA Grant	-	4,200	(4,200)	-	-	-
Other grant revenue	41,450	42,600	(1,150)	41,450	-	41,450
Industrial Land Park costs	(101,350)	(293,700)	192,350	(101,350)	(80,353)	(20,996)
Angola Ag Park costs	(2,836)	(4,200)	1,364	(2,836)	(2,841)	5
Other grant expenses	(41,450)	(59,300)	17,850	(41,450)	-	(41,450)
Total Special Project Grants	17,787	(16,700)	34,487	17,787	(3,231)	21,018
NET OPERATING INCOME/(LOSS):	6,649	32,500	(25,851)	6,649	(4,707)	11,357
NONOPERATING REVENUE:						
Interest Income	527	300	227	527	317	210
Total Nonoperating Revenue	527	300	227	527	317	210
NET INCOME/(LOSS):	\$ 7,176	\$ 32,800	\$ (25,624)	\$ 7,176	\$ (4,390)	\$ 11,567

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2025 budget.



To: ECIDA, RDC & ILDC Boards of Directors
From: Michael Szukala, Chair
Date: March 26, 2025
Re: Finance & Audit Committee Report

In accordance with its Committee Charter, the Finance & Audit Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance and Audit Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on March 20, 2025. Committee members present were: Michael Szukala, Chair, Penny Beckwith, Patrick Boyle, Glenn Nellis, and Brian Nowak. The following items were reviewed:

1) Lumsden McCormick CPAs Report including Draft 2024 Audited Financial Statements

The Agency’s auditors presented Draft 2024 Audited Financial Statements for ECIDA, RDC, and ILDC (copies of which are included in respective Board packages).

- The independent auditors expressed an unmodified (clean) opinion on the financial statements of all entities. This type of opinion indicates that the financial statements present fairly, in all material respects, the financial position of the entities as of December 31, 2024 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.
- No uncorrected audit adjustments were noted.
- No significant deficiencies or material weaknesses in internal controls noted.

The Committee recommended that the draft statements be approved by the respective boards.

2) Public Authorities Accountability Act (PAAA) 2024 Annual Report

The Committee reviewed the PAAA 2024 Annual Report required under the Public Authorities Law and recommended that it be approved by their respective Boards.

3) 2024 Investment Reports

The Committee reviewed the 2024 Investment Reports, which are required under the Public Authorities Law and recommended that they be approved by their respective Boards.

4) Investment and Deposit Policy

The Committee reviewed Investment and Deposit Policy and recommended it be readopted by the Boards.

5) Finance & Audit Committee Self-Evaluation

The Committee approved a report that documents the Committee’s activities for 2024 as required under the Public Authorities Law.

6) The Committee reviewed Management’s Assessment of the Effectiveness of Internal Controls, a document prepared by management based on internal control processes and procedures of the organization. The document will be posted on the website as required by the ABO.

7) The Committee reviewed a summary of the corporate credit card usage in accordance with the Corporate Credit Card Policy.

8) The Committee reviewed a document entitled “On the Audit Committee’s Agenda: Looking Ahead to 2025” from Deloitte’s Center for Board Effectiveness to satisfy the educational requirements set forth in the Finance & Audit Committee Charter.

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**Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County
Regional Development Corporation (RDC), and Buffalo and Erie County
Industrial Land Development Corporation (ILDC)**

2024 Finance & Audit Committee Self-Evaluation

Responsibilities of the Finance & Audit Committee:

The core responsibilities of the Finance & Audit Committee, as mandated under Section 2825 of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting, and regulatory compliance practices; (ii) maintaining, through regular meetings, direct communication between the members of the Agency and the Agency’s independent accountants and auditors; (iii) maintaining direct communication between members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency; (iv) approving the budget of the Agency for submission to the Board; (v) approving and/or directing the transfers of moneys under the budget; (vi) recommending to the Board the level of cash reserves and the level of fund balances of the Agency.

Finance & Audit Committee Self-Evaluation	Yes	No	Pen ding	Comments
1. Are the members of the Finance & Audit Committee appointed in accordance with the Bylaws and do individuals appointed to the Finance & Audit Committee possess the necessary skills to understand the duties and functions of the Finance & Audit Committee and are familiar with corporate financial and accounting practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Finance & Audit Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Finance & Audit Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Finance & Audit Committee meet a minimum of twice each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Finance & Audit Committee met on 1/9/24, 2/22/24, 3/21/24, 8/20/24, and 9/17/24.

Finance & Audit Committee Self-Evaluation	Yes	No	Pen ding	Comments
<p>4. Were meeting notices and agendas prepared for each meeting and provided to Finance & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>5. Did the Finance & Audit Committee develop the Agency's audit practices, which should address independent auditors and financial statements; internal controls, compliance, and risk assessment; special investigations; and other responsibilities?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#10 below.
<p>6. Did the Finance & Audit Committee:</p> <p>(a) Recommend to the Board the appointment of independent auditors, establish the compensation to be paid to the auditors, and provide oversight of the audit services provided by the independent auditor?</p> <p>(b) Establish procedures for the engagement of the independent auditors to provide permitted audited services?</p> <p>(c) Review and approve the Agency's audited financial statements, associated management letter, and all other auditor communications?</p> <p>(d) Review significant accounting and reporting issues and understand their impact on the financial statements of the Agency?</p> <p>(e) Meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency and any issues that may have arisen during the audit?</p> <p>(f) Review and discuss any significant risks reported in the independent audit and assess the responsiveness of management's follow-up activities regarding same?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>In March 2024, Lumsden McCormick completed audits of the ECIDA, RDC, and ILDC for the year ended 12/31/23. The auditors issued unmodified (clean) opinions that the statements fairly presented the financial position of the above referenced corporations. The auditors also indicated that the audits did not uncover any material weaknesses in internal control and there were no instances of non-compliance in accordance with government auditing standards.</p>

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>7. Did the Finance & Audit Committee review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Agency's internal controls, regulatory compliance, and organizational structure and operations?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the 3/21/24 meeting. The March 2024 audit reports did not identify any internal controls or material weaknesses.</p>
<p>8. Did the Finance & Audit Committee:</p> <p>(a) Ensure that the Agency has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Agency or anyone having business dealings with the Agency?</p> <p>(b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing?</p> <p>(c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The ECIDA adopted a Whistleblower Policy in March of 2012. The Policy describes the process for reporting suspected fraudulent activities and describes the protections afforded to individuals who report suspected fraudulent activities. The Policy was re-adopted by the Board of Directors on 3/27/24.</p>
<p>9. Did the Finance & Audit Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>On 3/21/24, the Committee received an article entitled, "Audit Committees: So Much More Than Financial Statement Oversight" published by the Deloitte Center for Board Effectiveness.</p>

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>10. Did the Finance & Audit Committee:</p> <p>(a) Report its actions and recommendations to the Board?</p> <p>(b) Report to the Board at least annually regarding any changes to the Finance & Audit Committee Charter?</p> <p>(c) Provide a self-evaluation to the Board on an annual basis?</p> <p>(d) Report to the Board at least annually on the findings of its independent auditors?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reported its actions and recommendations to the Board following each meeting. On 3/27/24, the Audit & Finance Committee reported on its activities to the ECIDA Board of Directors. These activities included the: (1) Audit & Finance Committee self-evaluation; (2) Audit & Finance Committee Charter; (3) draft 2023 financial statements audited by Lumsden McCormick; (4) Corporate Credit Card Policy; (5) 2023 Public Authorities Annual Report; (6) Investment & Deposit Policy; and (7) 2023 Investment Report.</p>

Other Self-Evaluation Notes

In addition to the above:

- During its 1/9/24 meeting, the Committee discussed the 2023 audit plan with Lumsden McCormick.
- During its 2/22/24 meeting, the Committee recommended a taxable bond issuance for D'Youville University.
- During its 3/21/24 meeting, the Committee reviewed drafts of the 2023 audited financial statements for the ECIDA, RDC, and ILDC. The Committee also reviewed the 2023 PAAA Annual Report, 2023 Investment Reports, Investment & Deposit Policy, Finance & Audit Committee Charter, Corporate Credit Card Policy, the 2023 Finance & Audit Self-Evaluation, 2023 Management's Assessment of Internal Controls, and Corporate Credit Card Usage Report.
- During its 8/20/24 meeting, ECIDA staff discussed the ECIDA, RDC, and ILDC budget review process and the timelines for obtaining approval for those budgets. The Committee also reviewed drafts of the 2025 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts.
- During the 9/17/24 meeting, the Committee reviewed updated drafts of the 2025 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. The Committee approved a motion to forward the respective budgets to the Boards of each entity for approval.

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 20, 2025

Members of the Finance & Audit Committees and Boards of Directors
Erie County Industrial Development Agency and related entities

We have audited the separate financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation (RDC), and Buffalo and Erie County Industrial Land Development Corporation (ILDC), business-type activities (collectively, the Organizations) for the year ended December 31, 2024. Professional standards require that we advise you the following matters related to our audits.

Our Responsibility in Relation to the Financial Statement Audits

As communicated in our engagement letter dated January 6, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether each entity's financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audits of each entity's financial statements do not relieve you or management of their respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audits to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of each entity's internal control over financial reporting. Accordingly, as part of our audits, we considered the internal control of each entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible to communicate significant matters related to the audits that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audits

We conducted our audits consistent with the planned scope and timing we previously communicated to you in the engagement letter.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

Our audit planning and risk assessment identified management override of controls and improper revenue recognition as significant audit risks, both of which are presumptive risks in financial statement audits. Our audit procedures were designed to address these risks and no matters of concern were identified as a result of our procedures.

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Qualitative Aspects of the Organizations' Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organizations are included in Note 1 to each entity's financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting each entity's financial statements are:

- Establishing allowances for uncollectible loans
- Depreciable lives and methods
- Valuation of other assets
- Valuation of leases receivable and payable

Management's estimates of the above are based on management's knowledge and experience about past and current events and assumptions about future events. We evaluated the key factors and assumptions used to develop the estimates above and determined that they are reasonable in relation to each entity's financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We evaluated all disclosures in relation to each entity's financial statements as a whole and determined that they are reasonable.

Significant Difficulties Encountered During the Audits

We encountered no significant difficulties in dealing with management relating to the performance of the audits.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We discovered no such misstatements during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No audit adjustments were made for the year ended December 31, 2024.

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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to each entity's financial statements or the auditors' report. No such disagreements arose during the course of the audits.

Circumstances that Affect the Form and Content of the Auditors' Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' reports. There were no modifications to the audit opinions.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated consistent with the financial statement audit report date.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matter.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Organizations, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the Organizations, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our appointment as the Organizations' auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis that supplements the basic financial statements for each entity. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to each of the supplementary information accompanying the financial statements of each entity, we made certain inquiries of management and evaluated the form, content, and methods of preparing the schedules to determine that the information complies with accounting principles generally accepted in the United States of America, the methods of preparing them has not changed from the prior period, and the schedules are appropriate and complete in relation to our audits of the Organizations' financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Finance & Audit Committees, Board of Directors, and management of the Organizations. It is not intended to be and should not be used by anyone other than these specified parties.

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MANAGEMENT LETTER

March 20, 2025

The Finance & Audit Committees, Boards of Directors, and Management
Erie County Industrial Development Agency and related entities

In planning and performing our audits of the financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation, and Buffalo and Erie County Industrial Land Development Corporation (collectively, the Organizations), business-type activities, as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the separate financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Finance & Audit Committees, Boards of Directors, and others within the Organizations. It is not intended to be, and should not be, used by anyone other than these specified parties.

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**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Buffalo and Erie County Industrial
Land Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise ILDC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ILDC as of December 31, 2024 and 2023, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ILDC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ILDC's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ILDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ILDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise ILDC's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025 on our consideration of ILDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ILDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ILDC's internal control over financial reporting and compliance.

March 20, 2025

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Management's Discussion and Analysis (Unaudited)

December 31, 2024

Buffalo and Erie County Industrial Land Development Corporation (ILDC) was incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of fixed assets by industrial companies locating or expanding in the County of Erie, New York (the County). ILDC is considered a component unit of the County. ILDC also manages a microenterprise revolving loan program on behalf of the County.

As a special-purpose government engaged in business-type activities, ILDC is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, ILDC is required to present management's discussion and analysis (MD&A) to assist readers in understanding ILDC's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of ILDC as of and for the years ended December 31, 2024, 2023, and 2022. We encourage readers to consider the information presented here in conjunction with ILDC's audited financial statements.

In 2024 the ILDC continued to move forward in developing Renaissance Commerce Park in Lackawanna, New York, and the Erie County Agribusiness Park in Evans, New York. ILDC completed work on public water and sewer lines at Renaissance Commerce Park and began design work for two new roads and the relocation of a railyard. The Erie County Agribusiness Park Master Plan and Generic Environmental Impact Statement was completed in 2024, and design work began on the access road for the property. Erie County continued to market the Microenterprise Loan/Grant Program.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) Balance Sheets – The balance sheets show the reader what ILDC owns (assets and deferred outflows of resources) and what ILDC owes (liabilities and deferred inflows of resources). ILDC's assets and deferred outflows of resources less its liabilities and deferred inflows of resources (net position) can be one way to measure ILDC's financial position. Over time, increases or decreases in ILDC's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) Statements of Revenues, Expenses, and Changes in Net Position – These statements report ILDC's operating and nonoperating revenues by major source along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure ILDC's operating results for the year.
- 3) Statements of Cash Flows – These statements report ILDC's cash flows from operating, capital and related financing, and investing activities, if any.

Financial Highlights

- ILDC's net position decreased by 2% from \$7,586,000 in 2023 to \$7,407,000 in 2024.
- ILDC experienced a decrease in net position of \$179,000 in 2024 compared to an increase of \$236,000 in 2023.
- Operating revenues increased 1,303% from \$35,000 in 2023 to \$491,000 in 2024.
- Operating expenses increased 94% from \$288,000 in 2023 to \$560,000 in 2024.

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Condensed Comparative Financial Statements:

Balance Sheets at December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Assets					
Cash	\$ 3,684	\$ 418	\$ 3,266	781%	\$ 1,265
Grants receivable	6,414	9,191	(2,777)	(30%)	10,212
Loans receivable, net	352	485	(133)	(27%)	520
Prepaid expenses	-	-	-	N/A	32
Capital assets, net	175	179	(4)	(2%)	-
Land held for sale	6,472	6,875	(403)	(6%)	6,867
Total assets	\$ 17,097	\$ 17,148	\$ (51)	-	\$ 18,896
Liabilities					
Accounts payable	\$ 67	\$ 880	\$ (813)	(92%)	\$ 824
Due to affiliate	4,250	4,519	(269)	(6%)	180
Unearned revenue	5,373	4,163	1,210	29%	10,572
Total liabilities	9,690	9,562	128	1%	11,576
Net position					
Net investment in capital assets	175	179	(4)	(2%)	-
Restricted	518	540	(22)	(4%)	608
Unrestricted	6,714	6,867	(153)	(2%)	6,742
Total net position	7,407	7,586	(179)	(2%)	7,350
Total liabilities and net position	\$ 17,097	\$ 17,148	\$ (51)	-	\$ 18,926

ILDC's cash balance increased 781% or \$3,266,000 in 2024, after a decrease of 67% or \$847,000 in 2023. The increase was due to a \$2,900,000 balance in a grant-related bank account at the end of 2024 that did not exist in 2023, along with cash inflows of \$549,000 from a land sale in December. The prior year decrease was primarily due to the use of cash for land development activity.

Grants receivable decreased 30% or \$2,777,000 due to grant receipts from Empire State Development and the U.S. Department of Commerce Economic Development Administration (EDA) during the year and coincides with the increase in cash. There was one new grant of \$2,500,000 recognized as grants receivable and unearned revenue in 2024. In 2023, there was a decrease of 10% or \$1,021,000 due mainly to receipts from the EDA and Erie County.

Loans receivable relate to the microenterprise revolving loan fund, known as the Erie County Business Development Fund. Net loans receivable decreased \$133,000 from 2023 to 2024. There was one new loan for \$35,000 and principal payments of \$121,000 received in 2024, combined with a provision for uncollectible loan expense of \$47,000. The uncollectible loan expense is largely due to loans that are partially forgiven as certain requirements are met. There was a \$35,000 decrease in net loans receivable from 2022 to 2023.

Capital assets consist mainly of an entrance sign at Renaissance Commerce Park in Lackawanna, New York. The sign was constructed and installed in 2023, causing an increase in net capital assets. The decrease in 2024 is reflective of depreciation.

Land held for sale consists of 143 acres of land at Renaissance Commerce Park in Lackawanna, New York and 238 acres of land at the former Angola Airport site in Evans, New York. In connection with its economic development purpose, ILDC is working with several partners to return these underutilized properties to productive use. The \$403,000 decrease in land held for sale from 2023 to 2024 is due to the sale of 10 acres at Renaissance Commerce Park. The \$8,000 increase from 2022 to 2023 reflected additional capitalizable costs incurred.

The \$813,000 decrease in accounts payable from 2023 to 2024 and the \$56,000 increase from 2022 to 2023 is primarily due to special project construction-related payables outstanding at the end of 2023.

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The \$269,000 or 6% decrease in the total due to affiliate (ECIDA) from 2023 to 2024 is primarily due to the repayment of \$2,375,000 from ECIDA related to land development activities and projects, combined with \$2,114,000 of new funds borrowed. Additional repayment will be made when grant funds are received. The \$4,339,000 increase from 2022 to 2023 was a result of \$4,478,000 borrowed in 2023.

Unearned revenue relates to grants awarded to the ILDC, for which the related revenue has not yet been recognized. The \$1,210,000 increase from 2023 to 2024 is due to the award of one new grant offset by the recognition of revenue related to grants. The decrease from 2022 to 2023 was due to the recognition of revenue related to grants and no new grants.

Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Operating revenue:					
Administrative fee revenue	\$ 338	\$ 11	\$ 327	2,973%	\$ 191
Gain (loss) on land held for sale	124	-	124	N/A	(181)
Interest from loans and other	29	24	5	21%	13
Total revenue	491	35	456	1,303%	23
Operating expenses:					
Transfer to ECIDA	357	28	329	1,175%	282
General, administrative, and depreciation	156	71	85	120%	192
Provision for uncollectible loans (recoveries)	47	189	(142)	(75%)	483
Total operating expenses	560	288	272	94%	957
Operating loss before special project grants	(69)	(253)	184	(73%)	(934)
Special project grants:					
Grant revenue	1,469	6,748	(5,279)	(78%)	2,038
Grant expense	(1,579)	(6,259)	(4,680)	75%	(1,617)
Total special project grants	(110)	489	(599)	(122%)	421
Change in net position	\$ (179)	\$ 236	\$ (415)	(176%)	\$ (513)

Revenue Analysis

ILDC is an issuer of tax-exempt bond financing for not-for-profit entities. These bonds are not obligations of ILDC or the County. ILDC receives bond issuance fees from borrowers for providing this service. ILDC has a shared services agreement with ECIDA under which administrative and staffing services are provided to ILDC in connection with bond issuances in exchange for the related bond issuance fees received by ILDC. In 2024 there was one bond issuance, which was the cause of the increase in fees from 2023. In 2023 there were no bond issuances, resulting in a decrease from 2022.

ILDC sells rehabilitated land as part of its economic development activities. When the sale price of land is greater than the book cost (including land improvements), a gain is recognized, and when the sale price is less than the book cost, a loss is recognized. There was one land sale in 2024, and the sale proceeds were greater than the cost of land to ILDC. There were no land sales in 2023.

The \$5,000 increase in interest from loans and other revenue from 2023 to 2024 is due mainly to income from the lease of a parcel owned by ILDC. The increase from 2022 to 2023 was due mainly to an increase in loan interest from microenterprise fund loans.

Expense Analysis

The amount transferred to ECIDA each year under the shared services agreement consists of administrative fees for bond issuances plus charges from ECIDA for personnel and overhead. Charges for personnel and overhead are derived from ECIDA employee hours charged for ILDC-related projects. The \$329,000 increase from 2023 to 2024 related to one ILDC bond fee of \$338,000 being transferred during the year. The decrease from 2022 to 2023 was due to no bond issuances in 2023 and a decrease in ECIDA employee hours charged.

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In 2024, general, administrative, and depreciation expenses increased \$85,000 from \$71,000 to \$156,000, due mainly to increases in legal costs and special district taxes on owned properties. General, administrative, and depreciation expenses decreased \$121,000 from 2022 to 2023 due to decreases in legal and consulting costs and one-time reclassifications of certain other expenses.

Most of the loans made under the microenterprise loan program are forgivable loans, which may provide up to 50% of loan forgiveness if certain criteria are met. The decrease of \$142,000 in the provision for uncollectible loans from 2023 to 2024 reflects fewer forgivable loans awarded in 2024 as compared to 2023. There were no loans forgiven during 2024. There was a decrease in the provision for uncollectible loans of \$294,000 from 2022 to 2023.

Grant revenue decreased \$5,279,000 to \$1,469,000 in 2024, from \$6,748,000 in 2023. This was primarily due to \$1,194,000 of grant revenue recognized for sewer construction reimbursable costs at Renaissance Commerce Park in 2024, compared to \$5,199,000 in 2023. The increase from 2022 to 2023 also related to grant revenue in 2023 for sewer construction.

Grant expenses relate directly to the costs involved with certain projects undertaken by the ILDC and can vary from year to year based on activity. There was a \$4,680,000 decrease in grant expenses from 2023 to 2024 due to an decrease in grant-eligible project expenses discussed above. Most grant expenses are related to the Renaissance Commerce Park project (see Note 3 to the financial statements for additional detail). The increase from 2022 to 2023 also related to projects at Renaissance Commerce Park.

Budget Analysis

ILDC prepares an annual budget which was presented and approved by the Board of Directors on October 25, 2023. The following table presents an analysis of ILDC's performance compared to the approved 2024 budget.

<i>in thousands</i>	Actual	Budget	\$ Variance	% Variance
Operating revenue:				
Administrative fee revenue	\$ 338	\$ -	\$ 338	N/A
Gain (loss) on land held for sale	124	(250)	374	(150%)
Interest from loans and other	29	19	10	53%
Total revenue	<u>491</u>	<u>(231)</u>	<u>722</u>	<u>(313%)</u>
Operating expenses:				
Transfer to ECIDA	357	24	333	1,388%
General, administrative, and depreciation	156	87	69	79%
Provision for uncollectible loans (recoveries)	47	105	(58)	(55%)
Total operating expenses	<u>560</u>	<u>216</u>	<u>344</u>	<u>159%</u>
Operating loss before special project grants	(69)	(447)	378	(85%)
Special project grants:				
Grant revenue	1,469	5,074	(3,605)	(71%)
Grant expense	(1,579)	(5,210)	3,631	(70%)
Total special project grants	<u>(110)</u>	<u>(136)</u>	<u>26</u>	<u>(19%)</u>
Change in net position	<u>\$ (179)</u>	<u>\$ (583)</u>	<u>\$ 404</u>	<u>(69%)</u>

Overall, ILDC's decrease in net position for 2024 was below the budgeted decrease by \$404,000. Total revenue was \$722,000, or 313%, above budget due to a property sale and bond issuance in 2024. Total expenses were \$344,000, or 159%, above budget. Most of the variance is due to the transfers to ECIDA being higher than expected as a result of the bond issuance. Grant revenue was \$3,605,000 lower than budget, while grant expenses were \$3,631,000 lower than budget.

Economic Factors Impacting ILDC

ILDC relies upon land sales to generate revenue for continued operations, as well as grant revenue from Erie County and other economic development partners to defray the costs associated with land development. As a result of current uncertain economic conditions, ILDC's ability to generate the income necessary to support operations may be limited in the future.

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Requests for Information

This financial report is designed to provide a general overview of ILDC's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of ILDC at (716) 856-6525. General information relating to ILDC can be found on ECIDA's website, www.ecidany.com.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Balance Sheets

December 31,	2024	2023
Assets		
Current assets:		
Cash	\$ 3,683,965	\$ 417,701
Grants receivable (Note 3)	6,413,558	9,191,179
Loans receivable (Note 2)	119,677	123,071
	<u>10,217,200</u>	<u>9,731,951</u>
Noncurrent assets:		
Loans receivable, net (Note 2)	232,565	362,312
Capital assets	184,285	184,285
Accumulated depreciation	(9,726)	(5,192)
Land held for sale (Note 4)	6,472,145	6,875,104
	<u>6,879,269</u>	<u>7,416,509</u>
	<u>\$ 17,096,469</u>	<u>\$ 17,148,460</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 67,342	\$ 880,331
Due to affiliate (Note 5)	4,249,733	4,519,375
Unearned revenue (Note 3)	5,372,594	4,163,198
	<u>9,689,669</u>	<u>9,562,904</u>
Net position:		
Net investment in capital assets	174,559	179,093
Restricted	517,721	539,928
Unrestricted	6,714,520	6,866,535
	<u>7,406,800</u>	<u>7,585,556</u>
	<u>\$ 17,096,469</u>	<u>\$ 17,148,460</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2024	2023
Operating revenues:		
Administrative fees	\$ 337,513	\$ 11,200
Gain on land held for sale	124,258	-
Interest from loans and other	28,760	24,061
Total operating revenues	<u>490,531</u>	<u>35,261</u>
Operating expenses:		
Transfer to Erie County Industrial Development Agency	356,714	28,194
General and administrative	151,483	69,047
Provision for uncollectible loans	46,880	189,048
Depreciation	4,534	2,267
Total operating expenses	<u>559,611</u>	<u>288,556</u>
Operating loss before special project grants	(69,080)	(253,295)
Special project grants:		
Special project grant revenue	1,469,378	6,747,957
Special project grant expense	(1,579,054)	(6,258,765)
Total special project grants	<u>(109,676)</u>	<u>489,192</u>
Change in net position	(178,756)	235,897
Net position - beginning	<u>7,585,556</u>	<u>7,349,659</u>
Net position - ending	<u>\$ 7,406,800</u>	<u>\$ 7,585,556</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Statements of Cash Flows

For the years ended December 31,	2024	2023
Operating activities:		
Administrative fees	\$ 337,513	\$ 11,200
Receipts from (payments to) Erie County Industrial Development Agency	(626,356)	4,311,459
Principal and interest on loans and other	150,021	179,225
Loans awarded	(35,000)	(280,000)
Proceeds from sale of land	548,900	-
Purchase of land held for sale	(21,683)	(7,951)
Payments to vendors	(1,024,127)	(850,727)
Special project grant receipts	5,456,395	1,360,084
Special project grant disbursements	(1,519,399)	(5,389,444)
Net operating activities	3,266,264	(666,154)
Capital and related financing:		
Purchases of capital assets	-	(181,360)
Cash - beginning	417,701	1,265,215
Cash - ending	\$ 3,683,965	\$ 417,701
Reconciliation of change in net position to net cash flows		
from operating activities:		
Change in net position	\$ (178,756)	\$ 235,897
Adjustments to reconcile change in net position to net cash		
flows from operating activities:		
Gain on land held for sale	(124,258)	-
Provision for uncollectible loans	(46,880)	(189,048)
Depreciation	4,534	2,267
Changes in other assets and liabilities:		
Grants receivable	2,777,621	1,020,893
Loans receivable	180,021	253,260
Prepaid expenses	-	31,500
Land held for sale	527,217	(7,951)
Accounts payable	(812,989)	56,141
Due to affiliate	(269,642)	4,339,653
Unearned revenue	1,209,396	(6,408,766)
Net operating activities	\$ 3,266,264	\$ (666,154)

See accompanying notes.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Buffalo and Erie County Industrial Land Development Corporation (ILDC) was incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of fixed assets by industrial companies locating or expanding in the County of Erie, New York (the County). ILDC manages a microenterprise revolving loan program which is dedicated to improving economic conditions in the County.

ILDC has related party relationships with Erie County Industrial Development Agency (ECIDA) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel. These entities share the same mission, which is to provide the resources that encourage investment, innovation, workforce development, and international trade resulting in a successful business climate focused on growth, economic stability, job creation, and job retention for businesses and individuals which improves the quality of life for the residents of the region.

In accordance with accounting standards, ILDC is considered a component unit of the County. The County, acting by and through the County Executive, is the sole member of ILDC and is financially accountable for it; as a result, ILDC is included in the financial statements of the County as a discretely presented component unit.

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Measurement Focus

ILDC reports as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. ILDC's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

ILDC's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for services, including interest earned on revolving loan funds, and payments made to purchase those goods or services or special project grants whose purpose aligns with the primary mission of ILDC. Grants receivable and unearned revenue are recognized at the time awarded and are recognized as revenue when all eligibility requirements imposed by the provider have been satisfied. ILDC receives special project grants from various Federal, State, and County governments.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Investments

Cash management is governed by New York State (the State) laws and as established by ILDC's written policies. Cash must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit management to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

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Custodial credit risk is the risk that, in the event of a bank failure, ILDC's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2024, ILDC's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging bank's agent in ILDC's name.

Loans Receivable

Loans receivable are stated at the principal amount outstanding, net of an allowance for uncollectible loans. The allowance method is used to compute the provision for uncollectible loans.

Determination of the allowance for uncollectible loans is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses. Management provides for probable uncollectible amounts through a charge to expenses and a credit to a valuation allowance based on its assessment of the current status of individual accounts, historical trends, and reasonable forecasts. Loans are written off through a charge to the valuation allowance and a credit to loans receivable after management has used reasonable collection efforts, and no legal recourse is available to collect the amount owed.

Interest on loans receivable is accrued as required by the terms of the agreement; management considers that collection is probable based on the current economic condition of the borrower. Interest accrual stops when management adjusts a loan reserve to 50% or more of the loan's outstanding balance.

Capital Assets

Capital assets are recorded at cost. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds to determine which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Buildings and improvements	\$ 1,000	5 - 40
Furniture and equipment	\$ 1,000	3 - 10

Net Position

Net position consists of the following components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets and deferred outflows of resources reduced by related liabilities. Restrictions are imposed by external organizations such as federal or state laws and include amounts maintained in the Erie County Business Development Fund (Erie County BDF) (Note 2).
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the restricted component of net position and therefore are available for general use.

Tax-Exempt Bond Transactions

ILDC is an issuer of tax-exempt bond financing for not-for-profit entities which meet the definition of conduit debt obligations. These bonds are obligations of the borrower and secured by the assets they finance. ILDC receives administrative fees from the borrower for providing bond issues which are recognized according to the terms of the fee agreement. ILDC also has a shared services agreement with ECIDA under which administrative and staffing services are provided to ILDC in connection with bond issuances in exchange for the related bond issuance fees received by ILDC. At December 31, 2024, previously issued bonds have an aggregate outstanding principal amount payable of \$337,249,793, none of which is recognized as a liability of ILDC.

ILDC transferred \$337,000 and \$10,000 in administrative fees to ECIDA in 2024 and 2023.

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Income Taxes

Although the financial statements are required to be reported as a governmental entity, ILDC is a 501(c)(3) not-for-profit organization for income tax purposes and is exempt from income taxes under §501(a) of the Internal Revenue Code.

2. Loans Receivable

The microenterprise revolving loan program was originally funded through a Community Development Block Grant (CDBG). Loans receivable maintained in the Erie County BDF are restricted pursuant to the original grant terms.

Loans made to local businesses from the Erie County BDF complement private financing at an interest rate of 2% with varying repayment terms. In 2022, ILDC began to provide microenterprise forgivable loans that may provide up to 50% of loan forgiveness if certain criteria are met by the borrower.

ILDC previously provided a \$750,000 forgivable loan to a borrower. The entire balance of the loan will be forgiven in installments of \$150,000 from 2025 through 2029 as long as the borrower meets certain job creation and retention requirements as set forth in the agreement. The balance of the loan is included in loans receivable and fully recognized in the allowance for uncollectible loans. The following is a summary of the loans receivable:

	2024	2023
Current status	\$ 1,828,254	\$ 1,914,515
Less allowance	1,476,012	1,429,132
	352,242	485,383
Less current portion	119,677	123,071
	<u>\$ 232,565</u>	<u>\$ 362,312</u>

Following is a summary of the activity in the allowance for uncollectible loans:

	2024	2023
Balance, beginning of year	\$ 1,429,132	\$ 1,306,584
Additions charged to operations	46,880	189,048
Reduction in allowances	-	(66,500)
	<u>\$ 1,476,012</u>	<u>\$ 1,429,132</u>

Scheduled maturities, net of allowances, for the next five years and thereafter are as follows:

	Principal	Interest
2025	\$ 119,677	\$ 17,057
2026	116,576	14,398
2027	72,339	8,474
2028	32,987	3,630
2029	10,663	981
	<u>\$ 352,242</u>	<u>\$ 44,540</u>

3. Special Project Grants

Special project grants are comprised of the following:

Bethlehem Phase II

In connection with Phase II of the Renaissance Commerce Park redevelopment, ILDC authorized the execution of a \$1,755,000 grant from Empire State Development (ESD) as Phase I of a capital grant under the Buffalo Billion II Initiative. Proceeds from this grant are used to acquire additional vacant Brownfield property at Renaissance Commerce Park, purchase a right-of-way along the eastern edge of the property, and plan for the Lackawanna-Woodlawn State Park Shoreline trail.

Phase II of the capital grant in the amount of \$7,695,000 under the Buffalo Billion II initiative was authorized by ILDC in 2021. Proceeds from this grant are used toward the design and construction of infrastructure improvements including additional environmental remediation, construction of new roads, and installation of utility corridors.

Bethlehem EDA

In 2022, ILDC authorized a \$2,680,000 grant from the U.S. Department of Commerce Economic Development Administration (EDA). Proceeds from this grant are used for the construction of water and sewer systems to facilitate development of land at Renaissance Commerce Park.

Angola Agribusiness Park

ILDC previously received grants from National Grid for \$354,000, Erie County for \$230,000, and from ESD for \$250,000 for the development of an agribusiness park at the former Angola Airport in Angola, New York. In 2024, ILDC also received a grant from the County for \$2,500,000 for this project.

The following is a summary of grants receivable at December 31:

	2024	2023
Bethlehem Phase II	\$ 3,195,000	\$ 6,695,000
Bethlehem EDA	62,106	1,809,107
Angola Agribusiness Park	3,156,452	687,072
	<u>\$ 6,413,558</u>	<u>\$ 9,191,179</u>

The following is a summary of unearned revenue at December 31:

	2024	2023
Bethlehem Phase II	\$ 2,529,906	\$ 3,692,057
Bethlehem EDA	-	32,267
Angola Agribusiness Park	2,820,910	431,096
Other	21,778	7,778
	<u>\$ 5,372,594</u>	<u>\$ 4,163,198</u>

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4. Land Held for Sale

Land held for sale is recorded at net realizable value based on assessment of the fair value of each project. The net realizable value as of December 31, 2024 and 2023 amounted to \$6,472,145 and \$6,875,104, respectively.

In February 2017, ILDC entered into a funding agreement with ECIDA to accept \$6,700,000 in the form of a partially refundable grant from ECIDA's U.S. Department of Housing and Urban Development Urban Development Action Grant (UDAG) reflow fund in connection with a Brownfield reclamation and redevelopment project at Renaissance Commerce Park in Lackawanna, New York. \$5,700,000 of the grant was earmarked for the purchase of real property, with the remaining \$1,000,000 to be used for carrying costs during and after property acquisition. Additional funding of up to \$700,000 for property acquisition was granted from ECIDA's UDAG reflow fund in September 2017. The initial \$1,000,000 for carrying costs was exhausted during 2023 and ECIDA approved additional funding for necessary carrying costs. As of December 31, 2024 and 2023, \$6,338,416 of the \$6,400,000 total amount granted has been spent on real property. As of December 31, 2024 and 2023, \$1,209,841 and \$1,093,297 for carrying costs was utilized, respectively.

In connection with the Phase I land purchase, ILDC accepted a \$2,780,000 grant from ESD. Proceeds from this grant were used to reimburse ECIDA. In addition, ILDC resolved to remit to ECIDA 50% of the net proceeds received upon the future sale of portions of land at Renaissance Commerce Park acquired using ECIDA grant funds, the aggregate of which is not to exceed \$6,700,000. As of December 31, 2024 and 2023, \$3,637,575 and \$3,363,125 in reimbursements have been made to ECIDA.

In December 2018, ILDC entered into a funding agreement with ECIDA to accept \$1,200,000 in the form of a partially refundable grant from ECIDA's UDAG reflow fund in connection with a redevelopment project at the former Angola Airport site in Angola, New York. \$900,000 of the grant was designated for the purchase of real property, with the remaining \$300,000 to be used for carrying costs during and after property acquisition. As of December 31, 2024 and 2023, \$855,084 of the \$900,000 granted for the purchase of real property was utilized. As of December 31, 2024 and 2023, \$184,397 and \$164,722 of the \$300,000 granted for carrying costs was utilized.

5. Related Party Transactions

ECIDA allocates a portion of its personnel and overhead costs to ILDC when sufficient funds are available. In 2024, cost of \$19,701 were charged to ILDC; no such amounts were charged in 2023. The amount outstanding to ECIDA at December 31, 2024 and 2023 related to these costs amounted to \$32,781 and \$41,605, respectively. In 2023, the ECIDA Board of Directors authorized ILDC to utilize ECIDA's UDAG funding for cash flow purposes while project reimbursements are processed. In 2024 and 2023, ECIDA provided a total of \$4,216,952 and \$4,477,770 for this purpose. Amounts due to ECIDA totaled \$4,249,733 and \$4,519,375 at December 31, 2024 and 2023, respectively.

In 2024 and 2023, Erie County provided \$28,555 and \$129,000, respectively, to ECIDA as a subrecipient of CDBG funds. These funds were then transferred to ILDC for its Erie County BDF loan program and are included in special project grant revenue in the accompanying statements of revenues, expenses, and changes in net position.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Supplementary Information Combining Balance Sheet

December 31, 2024

	Operating	Erie County BDF Program	Total
Assets			
Current assets:			
Cash	\$ 3,484,746	\$ 199,219	\$ 3,683,965
Grants receivable	6,413,558	-	6,413,558
Loans receivable	-	119,677	119,677
	<u>9,898,304</u>	<u>318,896</u>	<u>10,217,200</u>
Noncurrent assets:			
Loans receivable, net	-	232,565	232,565
Capital assets	184,285	-	184,285
Accumulated depreciation	(9,726)	-	(9,726)
Land held for sale	6,472,145	-	6,472,145
	<u>6,646,704</u>	<u>232,565</u>	<u>6,879,269</u>
	<u>\$ 16,545,008</u>	<u>\$ 551,461</u>	<u>\$ 17,096,469</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 66,383	\$ 959	\$ 67,342
Due to affiliate	4,216,952	32,781	4,249,733
Unearned revenue	5,372,594	-	5,372,594
	<u>9,655,929</u>	<u>33,740</u>	<u>9,689,669</u>
Net position:			
Net investment in capital assets	174,559	-	174,559
Restricted	-	517,721	517,721
Unrestricted	6,714,520	-	6,714,520
	<u>6,889,079</u>	<u>517,721</u>	<u>7,406,800</u>
	<u>\$ 16,545,008</u>	<u>\$ 551,461</u>	<u>\$ 17,096,469</u>

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Supplementary Information Combining Schedule of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2024

	Operating	Erie County BDF Program	Total
Operating revenues:			
Administrative fees	\$ 337,513	\$ -	\$ 337,513
Gain on land held for sale	124,258	-	124,258
Interest from loans and other	8,755	20,005	28,760
Total operating revenues	470,526	20,005	490,531
Operating expenses:			
Transfer to Erie County Industrial Development Agency	337,013	19,701	356,714
General and administrative	147,297	4,186	151,483
Provision for uncollectible loans	-	46,880	46,880
Depreciation	4,534	-	4,534
Total operating expenses	488,844	70,767	559,611
Operating loss before special project grants	(18,318)	(50,762)	(69,080)
Special project grants:			
Special project grant revenue	1,440,823	28,555	1,469,378
Special project grant expense	(1,579,054)	-	(1,579,054)
Total special project grants	(138,231)	28,555	(109,676)
Change in net position	(156,549)	(22,207)	(178,756)
Net position - beginning	7,045,628	539,928	7,585,556
Net position - ending	\$ 6,889,079	\$ 517,721	\$ 7,406,800

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Buffalo and Erie County Industrial
Land Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise ILDC's basic financial statements, and have issued our report thereon dated March 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ILDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ILDC's internal control. Accordingly, we do not express an opinion on the effectiveness of ILDC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ILDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ILDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ILDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 20, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Buffalo and Erie County Industrial
Land Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, and we have issued our report thereon dated March 20, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that ILDC failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2024. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding ILDC's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

March 20, 2025

Buffalo & Erie County Industrial Land Development Corp.

Investment Report

For the year ended December 31, 2024

Buffalo & Erie County Industrial Land Development Corporation

2024 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, ILDC is required to prepare and approve an annual Investment Report. The investment report is to include: ILDC's Investment Guidelines (see below), the results of the annual independent investment audit (see below), a list of the total investment income received by the corporation and a list of the fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last Investment Report.

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2024 and were approved by the ILDC Board of Directors on March 26, 2025.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, ILDC is required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the Agency. ILDC has elected to follow the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law as a "best practice".

The Investment Guidelines were approved by the ILDC Board of Directors on March 26, 2025 and are posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines are consistent with the prior Guidelines adopted on March 27, 2024.

Investment Audit:

ILDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March 20, 2025 Lumsden McCormick LLP have indicated that ILDC complied, in all material respects, with these Investment Guidelines.

Buffalo & Erie County Industrial Land Development Corporation (ILDC)

Annual Investment Report

For the year ended December 31, 2024

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2024	2024		Restricted	Purpose
		1/1/2024	12/31/2024		Investment Income	Fees		
1 Checking	M&T Bank	\$ 86,696	\$ 187,290	0.50%	\$ 660	\$ -	√	Erie County BDF Microenterprise Loan account ^b
2 Checking	M&T Bank	320,649	578,253	0.50%	1,755	-		General ILDC checking account
3 Checking	M&T Bank	-	2,906,493	0.50%	8,126	-	√	Imprest account for Empire State Development grant ^b
		<u>\$ 407,345</u>	<u>\$ 3,672,036</u>		<u>\$ 10,541</u>	<u>\$ -</u>		

Notes:

^a Interest Rate for the month of December 2024 and prior to the deduction of any fees.

^b Investment income earned is remitted to grantor in accordance with agreements.



To: ECIDA, RDC & ILDC Board of Directors
From: Brenda McDuffie, Governance Committee Chair
Date: March 26, 2025
Re: Governance Committee Report

In accordance with its Committee Charter, the Governance Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

The ECIDA/RDC/ILDC Governance Committee met on March 19, 2025. Committee members present were Brenda McDuffie, Chair, Thomas Baines, Zachary Evans, Tyra Johnson, Brian Kulpa, and Ken Schoetz. The following items were reviewed:

1) 2024 PAAA Annual Report

The Governance Committee reviewed the ECIDA/RDC/ILDC 2024 PAAA Annual Report. No changes were recommended. The PAAA Annual Report will be reviewed by the full Boards during the March 26, 2025 Board meetings.

2) Results of 2024 Performance Measures

The Governance Committee met on January 29, 2025 to discuss the ECIDA/RDC/ILDC Mission Statement and 2024 Performance Measures. The Committee did not recommend any changes during the March 19 meeting. The results of the 2024 Performance Measures will be reviewed by the Boards during the March 26, 2025 Board meetings.

3) Mission Statement and 2025 Performance Measures

The Governance Committee met on January 29, 2025 to discuss the ECIDA/RDC/ILDC Mission Statement and 2025 Performance Measures. During this meeting the Committee provided input and made changes to certain metrics based on current economic conditions. No additional updates were recommended during the March 19 meeting. The 2025 Mission Statement & Performance Measures will be reviewed by the Boards during the March 26, 2025 Board meetings.

4) 2024 Board of Directors’ Evaluation/Survey

The Governance Committee reviewed the summary sheets for the ECIDA, RDC, and ILDC Board surveys and discussed the importance of open dialogue and communication. The results will be reviewed with the Boards. The Governance Committee Chair will forward the summary sheets to the Authorities Budget Office (ABO) as required.

5) 2024 Governance Committee Self-Evaluation

The Governance Committee reviewed and approved the 2024 Governance Committee Self-Evaluation. The evaluation documents the activities of the Governance Committee during 2024.

6) ECIDA/RDC/ILDC Policies

The Governance Committee reviewed the following policies that either (a) are required to be re-adopted annually or (b) were updated and require re-adoption:

- Airborne Infectious Disease Policy
- Freedom of Information Law (FOIL) Policy
- Property Disposition Guidelines
- Record Retention and Disposition Policy
- Sexual Harassment Policy

ECIDA General Counsel Harris Beach Murtha reviewed the above-mentioned policies and recommended certain minor changes based on statutory updates or ABO guidance. The Boards will be asked to re-adopt these policies during the March 26, 2025 Board meetings.

7) PARIS Report Update

The Governance Committee received an update on the status of the ABO's reporting requirements through the Public Authorities Reporting Information System (PARIS). The Agency is on track to complete the ECIDA, RDC, and ILDC PARIS reports on or before the March 31, 2025 deadline.

8) Board Member PAAA Training Update

The Governance Committee members present received an update on the status of the required ABO board member training. The Agency's Compliance Portfolio Manager tracks and forwards training opportunities to board members who have not had the required training and to those who have not had training within the last three years.

Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation (RDC), and Buffalo and Erie County Industrial Land Development Corporation (ILDC)

2024 Governance Committee Self-Evaluation

Responsibilities of the Governance Committee:

The core responsibilities of the Governance Committee, as mandated under Section 2824(7) of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) keeping the Board informed of current best governance practices; (ii) reviewing corporate governance trends; (iii) updating the Agency’s corporate governance principles; and (iv) advising those responsible for appointing members to the Board on the skills and experiences necessary required of potential Board members.

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
1. Are the members of the Governance Committee appointed in accordance with the Bylaws and are individuals appointed to the Governance Committee knowledgeable, or have expressed a willingness to become knowledgeable, in matters pertaining to governance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Governance Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Governance Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Governance Committee meet a minimum of once (1) each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Governance Committee met on 1/31/24, 3/20/24, and 10/18/24.
4. Were meeting notices and agendas prepared for each meeting and provided to Governance Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Did the Governance Committee develop the Agency’s governance practices, which should address transparency, independence, accountability, fiduciary responsibilities and management oversight?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#9 below.

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>6. Did the Governance Committee develop a statement of the competencies and personal attributes required of Board members to assist those authorized to appoint members to the Board in identifying qualified individuals (it being acknowledged that membership in the Agency is determined pursuant to Section 891-a of the General Municipal Law)?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>A Statement of the Competencies and Personal Attributes is posted on the ECIDA website. It was approved by the ECIDA Board of Directors on 2/16/10. Revisions to this document were not necessary in 2024.</p>
<p>7. Did the Governance Committee develop and recommend to the Board any revisions to the number and/or structure of Board committees?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>No additional committees were recommended by the Governance Committee in 2024.</p>
<p>8. Did the Governance Committee develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers as required under Section 2824(2) of the New York Public Authorities Law?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>New Board members attend an orientation session hosted by ECIDA staff and are provided with a New Member Orientation Manual.</p> <p>As of 12/31/24, 17 of the 19 ECIDA/RDC Board members have received the PAAA required training. Note, there was one vacancy on the ECIDA/RDC Board. 6 of 7 ILDC Board members have received the PAAA required training. All Board members who have not received the training received notifications throughout the year regarding PAAA training session dates.</p>
<p>9. Did the Governance Committee develop, review and recommend to the Board the adoption and/or revisions to the following:</p> <p>(i) the Agency's Code of Ethics.</p> <p>(ii) written policies regarding conflicts of interest.</p> <p>(iii) written policies regarding the protection of whistleblowers from retaliation.</p> <p>(iv) equal opportunity and affirmative action policies.</p> <p>(v) written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Items i) & ii) are included in the ECIDA Code of Ethics and Conflict of Interest Policy. The Code was re-adopted by the full Board during its meeting on 3/27/24.</p> <p>(iii) In 2012, the Governance Committee approved a formal Whistleblower Policy. The Policy was re-adopted by the full Board during its meeting on 3/27/24.</p> <p>iv) The ECIDA's EEO policy is included in the Employee Handbook and the Procurement Policy.</p> <p>v) The ECIDA Procurement Policy was re-adopted by the full Board during its 3/27/24 meeting.</p>

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>(vi) written policies regarding the disposition of real and personal property and the acquisition of property.</p> <p>(vii) committee charters, including this Charter.</p> <p>(viii) any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency's Board, including the Agency's Bylaws. The Governance Committee will oversee the implementation and effectiveness of the Bylaws and other governance documents and recommend modifications to the Board as necessary or appropriate.</p>				<p>vi) The ECIDA Property Disposition Guidelines were re-adopted by the full Board during its meeting on 3/27/24.</p> <p>vii) The ECIDA Governance Committee Charter was re-adopted by the full Board during its meeting on 3/27/24.</p> <p>viii) The Governance Committee did not approve any additional policies in 2024.</p>
<p>10. Did the Governance Committee:</p> <p>(i) report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board.</p> <p>(ii) report to the Board, at least annually, regarding any proposed changes to this Charter.</p> <p>(iii) provide a self-evaluation of the Governance Committee's functions to the Board on an annual basis.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reports its actions and recommendations to the Board following each meeting.</p> <p>i) & ii) As stated above, all policies/ guidelines referenced above were adopted or re-adopted by the Board on 3/27/24.</p> <p>iii) On 3/20/24, the Committee performed a Self-Evaluation for the calendar year 2023 and provided a status report to the Board on 3/27/24.</p>

Governance Committee Self-Evaluation
<p>Other Self-Evaluation Notes</p>
<ol style="list-style-type: none"> 1. During its 1/31/24 and 3/20/24 meetings, the Governance Committee, ECIDA staff and counsel discussed the results of ECIDA's 2023 Performance Measures. 2. During its 1/31/24 and 3/20/24 meetings, the Governance Committee, ECIDA staff and counsel discussed the ECIDA Mission Statement and 2024 Performance Measures. 3. During its 3/20/24 meeting, the Governance Committee reviewed the 2023 Board evaluation for the ECIDA, RDC, and ILDC boards. The Committee discussed the results of these evaluations during the 3/27/24 Board meeting. 4. In addition to the above reference policies, the Governance Committee re-adopted the following ECIDA/RDC/ILDC Policies items during its meeting on 3/20/24: (a) Airborne Infectious Disease Policy, (b) Board Member Compensation, Reimbursement & Attendance Policy, (c) Code of Ethics & Conflict of Interest Policy, (d) Defense & Indemnification Policy, (e) ECIDA Employee Compensation Program, (f) Fee Structure

Policy (ECIDA & ILDC only), (g) Governance Committee charter, (h) Procurement Policy (i) Professional Services RFP Process and Policy, (j) Property Disposition Guidelines, (k) Real Property Acquisition Policy, (l) Sexual Harassment Policy, (m) Statement of Duties & Responsibilities of the Board of Directors, (n) Statement of the Competencies & Personal Attributes Required of Board Members, (o) Travel, Conferences, Meals & Entertainment Policy, (p) Whistleblower Policy. The policies were approved by the full Board during its 3/27/24 meeting.

5. During its 3/20/24 meeting, the ECIDA staff provided the Governance Committee with a status update on the ECIDA's Public Authority Reporting Information System (PARIS) report and board member PAAA training update.
6. During its 10/18/24 meeting, the Governance Committee reviewed the recommendations for professional legal services. The professional legal services recommendations were forwarded to the ECIDA Board for approval as follows:
 - a. General Counsel: Harris Beach Murtha (primary), Hurwitz Fine (conflict)
 - b. Tax Exempt Bond Counsel: Hodgson Russ (primary), Harris Beach Murtha (conflict)
 - c. Loan Counsel: Hurwitz Fine (primary), Harris Beach Murtha (conflict)

During its 10/23/24 meeting, the full Board approved to enter into contracts with the above-mentioned law firms. The contracts will be for a period of three years, with 2 one-year extensions available (can be exercised with Governance Committee approval).

2024 ILDC Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Some what Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Authority.	5			
The policies, practices and decisions of the Board are always consistent with this mission.	5			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	4	1		
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	5			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	4	1		
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	4	1		
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	4	1		
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	4	1		
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	5			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	5			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	5			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4	1		
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	5			
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	5			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	3	2		
Board members demonstrate leadership and vision and work respectfully with each other.	4	1		

Name of Authority: **Buffalo & Erie County Industrial Land Development Corporation**
 Date Completed: **March 6, 2025**

2024 Summary Results of Confidential Evaluation of Board Performance

Criteria	Comments
Board members have a shared understanding of the mission and purpose of the Authority. The policies, practices and decisions of the Board are always consistent with this mission. Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles. The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually. The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	We are constantly using policies to determine our actions. (1) Some board members are better at this than others (2) The understanding of the board's role is reiterated in the discussions and actions. Each year these policies by-laws and practice are reviewed and modified by action of the board, as appropriate
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest. Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	Each board member is given an opportunity to review, ask questions, and receive all information so they can act/vote independently. (1) Most board members are very communicative. There are a few who seem to coast. (2) There is open communication and it is welcomed between the board and executive staff. (3) I can only speak for myself and this is true.
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	(4) Any questions or inquiries I have submitted outside of meetings have been responded to in a timely and informative manner by the CEO and/or staff. (1) Similar to the above, some board members seem to glaze over on financials. (2) All information is provided and available before and after it is developed- at any time. (3) Opportunities more available to gain knowledge.
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete. The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	Staff and legal counsel keep us well educated in this area.

<p>Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.</p>	<p>Board members are invited and encourage to join committees and are welcome to any committee meeting regardless of whether they are a member.</p>
<p>Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.</p>	<p>(1) This past year has shown strong improvement in the timeliness of board materials. Good work by the staff. (2) Access to all information is readily made available. (3) Fully agree.</p>
<p>Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.</p>	<p>(4) We receive board packets in advance of meetings which are detailed and very helpful I feel there is no barrier to act independently.</p>
<p>The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.</p>	<p>(1) Staff performance and feedback are provided regularly and annual performance goals are established and measured. (2) I am a relatively new board member and have not seen the expectation setting and review process yet.</p>
<p>The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.</p>	<p>Staff does a tremendous job of oversight and management. Unsure how aware all board members are of these practices</p>
<p>Board members demonstrate leadership and vision and work respectfully with each other.</p>	<p>The board respects one and other and there is a shared vision for the organization.</p>

Authority: Erie County Industrial Development Agency (ECIDA); Buffalo and Erie County Regional Development Corporation (RDC) and Buffalo & Erie County Industrial Land Development Corporation (ILDC)

Date Completed: March 6, 2025



Loan Status Report March 2025

<u>ILDC Loans Approved Since Last Meeting</u> NONE.	<u>Municipality</u>	<u>Amount</u>
<u>ILDC Loans Closed Since Last Meeting</u> Full House Home Renovations	<u>Municipality</u> Grand Island	<u>Amount</u> \$20,000
<u>Loans in Closing Process</u> NONE.	<u>Municipality</u>	<u>Amount</u>
<u>Loans in the Pipeline</u> NONE.	<u>Municipality</u>	<u>Amount</u>

<u>2025 – Loans Approved</u> 2	<u>YTD Loan Total</u> \$55,000	<u>Jobs to be Created</u> 2	<u>Retained Jobs</u> 1
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Loan Portfolio Performance

Past Due Loans:

<u>Loan</u>	<u>Outstanding Balance</u>	<u>Amount Past Due</u>	<u>Days Past Due</u>	<u>Comments</u>
Kevin Thie d/b/a Buffalo Firewood	\$34,723	\$2,349	360+	Borrower filed Chapter 7 bankruptcy. Attorney's monitoring bankruptcy
Wild Discs, LLC	\$32,201	\$2,014	360+	Filed Judgment, garnishing wages, Filed Bankruptcy -Feb, 2025
L&B Transportation	\$27,041	\$1,007	90+	Moved to Alabama, business closed, Process of filing judgment

Portfolio Delinquency Rate (Past Due Outstanding Loan Balance divided by Portfolio Balance):

\$93,965 / \$1,066,587 = 8.7% Delinquency Rate (41 Loans)

ILDC Funds Available to Lend: \$181,440



March 13th, 2025

John Cappellino
President and CEO
Erie County Industrial Development Agency
95 Perry St., Suite 403
Buffalo, NY 14203
jcappell@ecidany.com

The Honorable Kathy Hochul
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

RE: Final One-House Budget Resolution Request – Brownfield Cleanup Program Generation 1 Tax Credits Deadline Extension for Renaissance Commerce Park (S3009-B – Part JJ)

Dear Governor Hochul,

I write today, on behalf of the Erie County Industrial Development Agency (ECIDA), to kindly request the inclusion of Part JJ of the Revenue Senate one-house budget bill (S3009-B) in the final, enacted version of the 2025-2026 New York State Budget.

This bill would extend the duration of certain brownfield redevelopment and remediation tax credits with respect to a site located within the Renaissance Commerce Park situated within the city of Lackawanna, NY. Decades of heavy industrial activity on site by the Bethlehem Steel Corporation has made private sector investment for redevelopment on this brownfield property cost prohibitive. Remediation tax credits would allow Erie County, the City of Lackawanna, and the Erie County Industrial Development Agency to continue to attract new businesses to the site, create jobs, revitalize the economy, redevelop a previously unusable portion of the property, and help the State realize previous public infrastructure investments on the property.

While the deadline for the Brownfield Cleanup Program (BCP) Generation 1 program is December 31st, 2027, it can take a minimum of 24 months from start to finish for a project on the site. To fully complete a project on the site it requires time to negotiate and execute a sale agreement with a prospect, go through a due diligence and closing period, receive planning board and City Council approvals and permits, and construct the facility. Without the requested extension, prospects will not have BCP tax credits available to them for the completion of a project on the 78 undeveloped acres in the Generation 1 program on the site.



Extending the BCP Generation 1 program on Renaissance Commerce Park represents a major return on investment opportunity for New York State, which has invested the majority of the over \$40 million provided for property acquisition and public infrastructure on the site. Since 2013, there has been over \$130 million in private investment on the property and over 400 jobs created. Failure to extend the BCP Generation 1 tax credits deadline would cause a catastrophic halt to the redevelopment efforts at Renaissance Commerce Park, negating a strong momentum of development, job growth and investment.

It is essential to the economic health of Lackawanna, Erie County and New York State that the BCP Generation 1 tax credits deadline be extended for the Generation 1 parcels located at Renaissance Commerce Park. The brownfield tax credits have been crucial in redeveloping the property by offsetting tens of millions of dollars in additional brownfield costs for businesses to develop on the site. The tax credits have made the site highly marketable despite the many issues and extra development costs associated with it as a legacy brownfield site.

To ensure the continued growth and success of Renaissance Commerce Park, I request the inclusion of Part JJ of S3009-B in the final, enacted version of the 2025-2026 New York State Budget so the property may continue serving as an economic driver for the Western New York region and New York State as a whole.

Thank you for your consideration of this request.

Respectfully submitted,

John Cappellino
President and CEO
ECIDA

cc: The Honorable Crystal Peoples-Stokes, Majority Leader, New York State Assembly
The Honorable Jonathan D. Rivera, New York State Assemblymember, District 149
The Honorable William Conrad, New York State Assemblymember, District 140
The Honorable Patrick Burke, New York State Assemblymember, District 142
The Honorable Karen McMahon, New York State Assemblymember, District 146
The Honorable David DiPietro, New York State Assemblymember, District 147
The Honorable Paul A. Bologna, New York State Assemblymember, District 144
The Honorable Sean Ryan New York State Senator, District 61
The Honorable Robert G. Ort, Minority Leader, New York State Senate
The Honorable April N.M. Baskin, New York State Senator, District 63
The Honorable Patrick M. Gallivan, New York State Senator, District 60
The Honorable George M. Borrello, New York State Senator, District 57