



**Buffalo and Erie County Industrial Land Development Corporation
Board of Directors Meeting
May 24, 2017
@ 8:45 a.m.
95 Perry Street
4th Floor – Vista Room
Buffalo, New York 14203**

1.0 Call to Order

2.0 Approval of Minutes

2.1 Approval of the April 26, 2017 Meeting of the Membership (Pages 2-3)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Pages 4-7)

3.2 Tapestry Charter School Bond Action (Pages 8-10)

4.0 Adjournment - Next Meeting June 28, 2017 at 8:45 a.m.

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

- DATE AND PLACE:** April 26, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203
- PRESENT:** Hon. Joseph C. Lorigo, Hon. John Mills, and Hon. Mark C. Poloncarz and Maria Whyte
- EXCUSED:** Hon. Byron W. Brown, Richard Lipsitz, Jr. and John Mudie
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Treasurer; Karen M. Fiala, Assistant Treasurer; and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Christopher Andreucci, Esq. on behalf of Harris Beach PLLC

At 8:45 a.m., the Chair of the ILDC, Mr. Poloncarz, called the meeting to order.

MINUTES

Upon motion made by Ms. Whyte and seconded by Mr. Lorigo, the March 22, 2017 minutes of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) meeting were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the March 2017 financial statements to the members. Ms. Profic noted that the ILDC finished the month of March with total assets of \$227,000 and net assets of approximately \$210,000. The monthly income statement shows income of \$500 and expenses of \$14,000 for a loss of a little over \$14,000 for the month. The \$14,000 of professional services consists of legal costs related to the Bethlehem Steel land purchase and is part of the \$1,000,000 of “soft costs” approved by the ILDC Board in February, 2017. The year to date income statement shows total revenues of \$1,400 and expenses of \$19,200 for a net loss of \$17,800. Mr. Poloncarz directed that the report be received and filed.

Charter School for Applied Technologies (“CSAT”). Mr. Cappellino presented this tax-exempt issuance project involving the ILDC’s issuance of tax-exempt bonds in an amount not to exceed \$30,000,000, approximately \$22,000,000 of which will be used for refinancing existing debt and an additional \$4,000,000 will be used for a proposed 17,000 sq. ft. expansion of the Charter School for Applied Technologies high school which will house additional classrooms, administration offices, student and staff bathrooms, an elevator to provide handicap accessibility and a fitness center with locker rooms. The bond proceeds will also be used to refund existing 2005 Series A bonds which will provide an opportunity for the CSAT to generate significant net present value savings upon the refunding of these bonds due to a decrease in the debt service interest rate.

Mr. Cappellino also gave general history of CSAT noting that the school was established in 2001 as a 700 student school serving grades K-6. Mr. Cappellino noted that in 2014, CSAT requested and received approval from the New York State Education Department to expand its enrollment to 2,365 students by the academic year 2019-2020. The school has evolved to become the largest charter school in New York State and only one of eight charter schools to now offer a comprehensive K-12 education. Mr. Cappellino concluded by stating CSAT’s mission is to provide an excellent academic education with skills sets relevant to careers in applied technologies and recognizes that these types of careers many times provide stable jobs with family sustaining incomes which many of its students, especially those that choose not to go to college, need to rise out of poverty. Mr. Cappellino concluded by noting that since its first graduating class in 2008, CSAT has produced a 98% graduation rate.

Ms. Whyte moved and Mr. Mills seconded to approve of the project. Mr. Poloncarz called for the vote and the following resolution as unanimously approved:

RESOLUTION AUTHORIZING THE ISSUANCE, EXECUTION, SALE AND DELIVERY OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAX-EXEMPT REVENUE BONDS, (CHARTER SCHOOL FOR APPLIED TECHNOLOGIES PROJECT) SERIES 2017A AND THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAXABLE REVENUE BONDS, (CHARTER SCHOOL FOR APPLIED TECHNOLOGIES PROJECT) SERIES 2017B, EACH IN ONE OR MORE SERIES AND IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 8:55 a.m.

Dated: April 26, 2017

Robert G. Murray, Secretary

Industrial Land Development Corp.
Financial Statements
As of April 30, 2017

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

April 30, 2017

	April 2017	March 2017	December 2016
ASSETS:			
Restricted Cash *	\$ 228,091	\$ 194,151	\$ 215,046
Loans Receivable, net	32,301	33,076	17,586
Loan Interest Receivable	25	25	25
Total Loan Assets	<u>32,326</u>	<u>33,101</u>	<u>17,611</u>
Total Assets	<u>\$ 260,417</u>	<u>\$ 227,252</u>	<u>\$ 232,657</u>
LIABILITIES & NET ASSETS:			
Accounts Payable	\$ 16,138	\$ 16,138	\$ 3,860
Due to/(from) ECIDA	167	1,164	1,039
Interest Payable - HUD	3	40	31
Other Liabilities	-	-	-
Total Liabilities	<u>16,308</u>	<u>17,342</u>	<u>4,930</u>
Restricted Fund Balance	<u>244,109</u>	<u>209,911</u>	<u>227,727</u>
Total Liabilities & Net Assets	<u>\$ 260,417</u>	<u>\$ 227,252</u>	<u>\$ 232,657</u>

	April 2017	March 2017	December 2016
* Loan Portfolio Summary:			
# of Loans	<u>2</u>	<u>2</u>	<u>2</u>

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

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

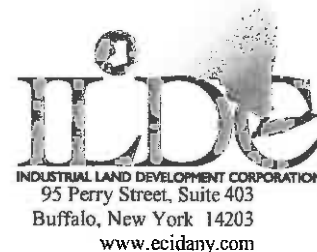
Income Statement

Month of April 2017

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 55	\$ 3	\$ 53
Total Revenues	<u>55</u>	<u>3</u>	<u>53</u>
EXPENSES:			
Management Fee - ECIDA	\$ 42	\$ 42	0
Professional Services	15,815	25	15,790
Other Expenses	-	50	(50)
Total Expenses	<u>15,857</u>	<u>117</u>	<u>15,740</u>
SPECIAL PROJECT GRANTS:			
ECIDA Bethlehem Industrial Park Grant	<u>50,000</u>	<u>-</u>	<u>50,000</u>
NET INCOME/(LOSS):	<u>\$ 34,198</u>	<u>\$ (114)</u>	<u>\$ 34,313</u>

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Income Statement
Year to Date: April 30, 2017

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 195	\$ 10	\$ 185	\$ 195	\$ 72	\$ 123
Other Income	1,307	-	1,307	1,307	1,322	(15)
Total Revenues	1,501	10	1,491	1,501	1,394	107
EXPENSES:						
Management Fee - ECIDA	\$ 167	\$ 167	0	\$ 167	\$ 167	\$ (0)
Provision for Loan Losses	-	-	-	-	(1,218)	1,218
Professional Services	33,995	100	33,895	33,995	29	33,966
Other Expenses	957	200	757	957	573	384
Total Expenses	35,119	467	34,652	35,119	(449)	35,568
SPECIAL PROJECT GRANTS:						
ECIDA Bethlehem Industrial Park Grant	50,000	-	50,000	-	-	50,000
NET INCOME/(LOSS):	\$ 16,382	\$ (457)	\$ 16,839	\$ (33,618)	\$ 1,843	\$ 14,539



TAPESTRY CHARTER SCHOOL
Briefing Memo

ILDC Tax Exempt Bonding
2245 Kenmore Avenue

Audit & Finance: May 15, 2017
ILDC Board: May 24, 2017

Tapestry Charter School (“Tapestry”) opened its doors with 105 students in grades K-4 in 2001 and has grown to serve over 829 students residing in 13 different school districts throughout Western New York. In 2015, the Board of Regents again renewed Tapestry’s charter for a period of 5 years with authority to provide instruction to students in grades K-12 and a total maximum enrollment of 1,070 students. Tapestry is becoming one of the larger charter schools in New York State, and only one of 8 to offer a comprehensive K-12 education. Tapestry’s mission is to educate and inspire a diverse community of K-12 learners by engaging them in rigorous real-world learning experiences which prioritize intellectual, social and emotional growth.

Tapestry’s philosophy emphasizes student engagement, faculty and administrative innovation, and parent involvement. The Borrower strives to provide a challenging and rigorous educational environment that emphasizes the values of appreciation, integrity, compassion, service, quality, responsibility, perseverance and respect.

Project:

Tapestry is requesting ILDC to issue not-to-exceed \$35 million in bonds its behalf for the following purposes: (i) refinancing certain outstanding commercial loans in the aggregate principal amount of approximately \$12,200,000 (the “Existing Loans”), the proceeds of which, together with other funds of the Borrower, were used to finance the acquisition and construction of the Borrower’s existing K-12 building located at 65 Great Arrow Avenue in Buffalo, New York (the “Existing Facility”); (ii) finance the cost of demolition of an existing structure on a parcel of land located at 111 Great Arrow Drive that is owned by the Borrower and is contiguous to the Existing Facility (the “111 Great Arrow Site”) and the subsequent construction of a new, 3-story approximately 60,000 square foot building (the “111 Great Arrow Addition”) and equipping and/or furnishing the 111 Great Arrow Addition; (iii) funding a debt service reserve fund and capitalized interest for the Series 2017 Bonds; and (iv) paying certain costs related to the issuance of the Series 2017 Bonds (collectively, the “Project”).

As part of the project, Tapestry has agreed to the ILDC’s local labor and public works requirements.

Project Financing:

The requested financing is not to exceed \$35,000,000 of tax exempt and taxable bonds issued through the Buffalo and Erie County Industrial Land Development Corporation. Summarized below is a breakdown of the uses of bond proceeds:

Estimated Uses of Funds*

Refinancing Existing Loans	\$12,200,000
Acquisition and Construction of the 111 Great Arrow Addition	16,896,000
Estimated Capitalized Interest	1,600,000
Estimated Debt Service Reserve Fund	2,040,000
Estimated Misc. Project Cost Contingency	1,014,000
Estimated Cost of Issuance	1,250,000
Total Uses of Funds	<u>\$35,000,000</u>

* Subject, preliminary to change.

Estimated Mortgage Tax Savings: \$350,000.00

The final maturity of the proposed bonds is expected to not exceed July 1, 2052.

The bonds would not be an obligation of the ILDC or the County. Bonds will be offered at market price at the time of the issuance.



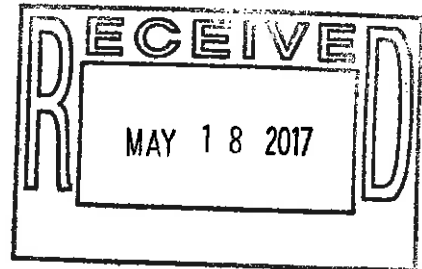
CITY OF BUFFALO

BYRON W. BROWN
MAYOR



May 10, 2017

Mr. Steven W. Weathers
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, NY 14203



Re: Tapestry Charter School

Dear Mr. Weathers:

The City of Buffalo supports Tapestry Charter School's application to the Erie County Industrial Development Agency to acquire, renovate, construct and equip the school's educational facilities located at 65 Great Arrow Avenue and a new 60,000 sq. ft. building to be located at 111 Great arrow Avenue in the City of Buffalo. This project will expand educational opportunities for Buffalo students.

A quality education is vital for our community's children to thrive and lead us into the future, therefore the City of Buffalo is in full support of efforts to improve the educational experience of any and every student in the city. With financial assistance from the ECIDA, Tapestry Charter School will be able to secure long term funding for its educational facilities in order to expand their educational mission. In addition to renovating their existing building at 65 Great Arrow Ave. the project also involves a new facility at 111 Great Arrow Ave. to provide additional spaces for student learning.

Not only will this project enhance the educational environment for Tapestry students but the expansion will require hiring additional teachers, administrators and support personnel creating additional jobs for the area. This project is a glowing example investing in the children of the City of Buffalo which is an investment in our City's future.

Sincerely,

Byron W. Brown
Mayor