



**Buffalo and Erie County Industrial Land Development Corporation
Board of Directors Meeting
September 26, 2018
@ 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 August 22, 2018 Minutes of the Board of Directors (Pages 2-3)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Pages 4-7)

3.2 Proposed Budget Timetable (Page 8)

3.3 Review of the 2018 Budget (Pages 9-12)

4.0 Adjournment - Next Meeting October 24, 2018 at 8:45 a.m.

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

- DATE AND PLACE:** August 22, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Richard Lipsitz, Jr., John J. Mudie, Hon. Mark C. Poloncarz, Hon. Peter J. Savage, III and Maria Whyte
- EXCUSED:** Hon. Byron W. Brown and Hon. Patrick Burke
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Atiqa Abidi, Assistant Treasurer; Karen M. Fiala, Assistant Treasurer and Robert G. Murray, Secretary
- GUESTS:** Michael Szukala, Chair, Finance & Audit Committee

At 8:46 a.m., there being a quorum present, the meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (the "Corporation") was called to order by its Chair, Mr. Poloncarz.

MINUTES

Upon motion made by Mr. Lipsitz, and seconded by Ms. Whyte, the July 25, 2018 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. Abidi presented the July 2018 Financial Report. Ms. Abidi noted that the ILDC ended the month with total assets of \$7.1 million and net assets of \$6.7 million. There were no significant fluctuations in balance sheet accounts during the month. The monthly income statement shows operating revenues of just over \$1,000, expenses of \$6,000, and grant income from the Erie County Industrial Development Agency in the amount of \$40,000 for net income of \$35,000 during the month. July revenue includes application fees passed through to the Agency. The year to date income statement shows operating revenues of \$2,300, expenses of \$67,000, plus grant income of \$82,000, for a net income of \$15,300 so far in 2018. Mr. Poloncarz directed that the report be received and filed.

Approval of Resolution to receive UDAG Funds for Master Plan and GEIS at Bethlehem Steel. Mr. Cappellino updated members on activities related to the Master Plan and Generic

Environmental Impact Statement ("GEIS") for the Bethlehem Steel property. Mr. Cappellino confirmed that the ILDC has been awarded grant funding of up to \$709,657 from various sources, however, only \$30,000 of the grant funds are able to be received up front. The remainder of the grant funding must be requested on a reimbursement basis. Mr. Cappellino confirmed that the ILDC does not have the necessary monies in its general fund to pay for invoices that will ultimately be reimbursed with the grant proceeds, and has requested that the Erie County Industrial Development Agency (ECIDA) grant up to \$500,000 on a revolving basis to the ILDC from its UDAG Fund to allow for payment of these invoices. When reimbursement is received from grantors, Mr. Cappellino confirmed that the ILDC will reimburse the ECIDA.

Mr. Lipsitz moved and Ms. Whyte seconded to approve of the receipt of grant funding from the ECIDA. Mr. Poloncarz called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC") TO ENTER INTO A FUNDING AGREEMENT FOR CERTAIN MASTER PLANNING AND GENERIC ENVIRONMENTAL IMPACT STATEMENT PURPOSES WITH THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("AGENCY") IN AN AMOUNT NOT TO EXCEED \$500,000 ON A REVOLVING BASIS FROM THE AGENCY'S U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT URBAN DEVELOPMENT ACTION GRANT ("UDAG") REFLOW FUND

Net Zero Facility Update. Mr. Cappellino provided members with an update on the Net Zero facility and efforts related to securing funding to undertake the project. Mr. Poloncarz directed that the report be received and filed.

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 8:54 a.m.

Dated: August 22, 2018

Robert G. Murray, Secretary

Industrial Land Development Corp.
Financial Statements
As of August 31, 2018

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

August 31, 2018

	August 2018	July 2018	December 2017
ASSETS:			
Restricted Cash *	\$ 224,245	\$ 227,674	\$ 245,815
Grants Receivable	362,500	362,500	362,500
Loans Receivable, net	21,564	22,128	26,058
Loan Interest Receivable	45	45	45
Total Loan Assets	<u>21,609</u>	<u>22,173</u>	<u>26,103</u>
Fixed Assets	6,530,672	6,530,672	6,530,672
Total Assets	<u>\$ 7,139,025</u>	<u>\$ 7,143,018</u>	<u>\$ 7,165,090</u>
LIABILITIES & NET ASSETS:			
Accounts Payable	\$ 3,000	\$ 3,000	\$ 17,048
Due to/(from) ECIDA	52,938	1,169	22,609
Other Liabilities	339,012	390,610	392,527
Total Liabilities	<u>394,950</u>	<u>394,779</u>	<u>432,184</u>
Restricted Fund Balance	6,744,075	6,748,239	6,732,906
Total Liabilities & Net Assets	<u>\$ 7,139,025</u>	<u>\$ 7,143,018</u>	<u>\$ 7,165,090</u>

	August 2018	July 2018	December 2017
* Loan Portfolio Summary:			
# of Loans	<u>1</u>	<u>1</u>	<u>1</u>

* 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 August 2018

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 38	\$ 42	\$ (4)
Interest Income - Cash & Inv.	1	-	1
Other Income	46,750	-	46,750
Total Revenues	<u>46,789</u>	<u>42</u>	<u>46,748</u>
EXPENSES:			
Management Fee - ECIDA	\$ 46,917	\$ 2,417	44,500
Professional Services	4,037	317	3,720
Other Expenses	-	229	(229)
Total Expenses	<u>50,953</u>	<u>2,963</u>	<u>47,991</u>
SPECIAL PROJECT GRANTS:			
Revenue	53,509	-	53,509
Expenses	(53,509)	-	(53,509)
	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME/(LOSS) BEFORE NON-RECURRING ITEMS:	<u>\$ (4,164)</u>	<u>(2,921)</u>	<u>(1,243)</u>
NET INCOME/(LOSS):	<u>\$ (4,164)</u>	<u>\$ (2,921)</u>	<u>\$ (1,243)</u>

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement

Year to Date: August 31, 2018

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 325	\$ 333	\$ (8)	\$ 325	\$ 402	\$ (77)
Interest Income - Cash & Inv.	5	-	5	5	-	5
Other Income	48,750	-	48,750	48,750	485,885	(437,135)
Total Revenues	49,080	333	48,747	49,080	486,287	(437,207)
EXPENSES:						
Management Fee - ECIDA	\$ 50,086	\$ 19,333	30,752	\$ 50,086	\$ 484,017	\$ (433,931)
Professional Services	37,726	2,533	35,192	37,726	119,947	(82,221)
Other Expenses	30,099	1,833	28,266	30,099	5,876	24,223
Total Expenses	117,911	23,700	94,211	117,911	609,840	(491,930)
SPECIAL PROJECT GRANTS:						
Revenue	133,509	-	133,509	133,509	2,625,550	(2,492,041)
Expenses	(53,509)	-	(53,509)	(53,509)	-	(53,509)
	80,000	-	80,000	80,000	2,625,550	(2,545,550)
NET INCOME/(LOSS):	\$ 11,169	\$ (23,367)	\$ 34,536	\$ 11,169	\$2,501,997	\$ (2,490,827)

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
 BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
 BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

2019 Budget Review

<u>Date</u>	<u>Description</u>	
July-August	Review of draft 2019 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
September 10 th	Finance & Audit Committee review/approval of proposed budgets.	✓
September 26 th	Formal review of 2019 draft budgets at Board meetings.	
October 9 th (10:00 am)	Board Q&A budget session #1 (voluntary).	
October 15 th (2:00 pm)	Board Q&A budget session #2 (voluntary).	
October 17 th	Adjustments to budget based on Board feedback and Finance & Audit Committee approval of final budgets (<i>if necessary</i>).	
October 24 th	Board meeting – action to approve final 2019 budgets.	
November 1 st	Deadline for final approved budget to be submitted to the ABO.	

Industrial Land Development Corp
Proposed 2019 Budget

Industrial Land Development Corporation (ILDC)

2019 Budget + 3 Year Forecast

The Industrial Land Development Corporation (“ILDC”) consists of two sub-funds (Erie County’s Business Development Fund (“BDF”) and a general fund). The ILDC administers the BDF loan fund on behalf of Erie County for HUD-eligible small businesses that would not otherwise be able to obtain such financing from commercial sources. The ILDC also issues tax-exempt bonds on behalf of various not-for-profit organizations in Erie County.

A. Overview of Changes in 2019 Budget:

The following summarizes the key changes between the 2019 budget and the projected 2018 results:

- The decrease in both Other Income and ECIDA Management Fee is due to the fact that in 2018, the ILDC received income from issuing tax-exempt debt that is paid to the ECIDA under a shared services agreement as compensation for the services ECIDA performs. No such fee income is budgeted in the ILDC for 2019 due to the unpredictable nature of bond issuances.
- The Special Projects section of the budget relates to grants for the Bethlehem Steel property purchased in 2017 and others related to the Master Plan and GEIS of the property. ILDC was granted \$2.78 million to offset the cost of the land purchase, half of which was received and reimbursed to ECIDA in 2018. The second half is expected in 2019. \$200,000 is budgeted to be used in 2019 for carrying costs related to the property, which will be granted by ECIDA’s UDAG fund. The Master Plan is expected to be completed in the first half of 2019.

B. Summary of Risk Factors impacting the 2019 Budget:

The following significant risk factors may influence the 2019 budget:

1. Due to numerous uncertainties, the value of collateral, guarantees, etc., the ILDC may experience loan losses that are currently not included in the budget.
2. In the past, the ILDC has generated fee income from issuing tax-exempt debt. These monies are received directly by ILDC and then paid to ECIDA. However, due to the infrequent nature of these activities, and the uncertainty as to when such transactions will occur, ILDC has not included any bond closings in the 2019 budget. It is possible a tax-exempt bond is issued within the next year and both income and expenses will be recognized, accordingly.

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Budget for 2019

	Proposed Budget 2019	Approved Budget 2018	Projected 2018	YTD - July Actual 2018	Actual 2017
REVENUES:					
Interest Income - Loans	\$ 350	\$ 500	\$ 492	\$ 287	\$ 614
Interest Income - Cash & Investments	10	-	6	4	-
Other Income	-	-	83,750	2,000	485,885
Total Revenues	360	500	84,248	2,291	486,499
EXPENSES:					
ECIDA Management Fee*	\$ 8,000	\$ 29,000	87,183	\$ 3,169	\$ 506,197
Professional Services	23,000	3,800	49,467	28,856	18,693
Other Expenses	2,625	2,750	51,599	30,099	1,579
Total Expenses	33,625	35,550	188,249	62,124	526,469
SPECIAL PROJECTS:					
Industrial Land Park - ESD grant	1,390,000	1,400,000	1,390,000	-	-
Industrial Land Park - ECIDA grant	200,000	200,000	200,000	80,000	6,519,542
Industrial Land Park grant reimbursement	(1,390,000)	(1,400,000)	(1,390,000)	-	-
Industrial Land Park costs	(200,000)	(200,000)	(200,000)	-	-
Other grant revenue	509,657	-	200,000	1,907	-
Other grant expenses	(509,657)	-	(200,000)	(1,907)	-
	-	-	-	80,000	6,519,542
NET INCOME/(LOSS):	\$ (33,265)	\$ (35,050)	\$ (104,001)	\$ 20,166	\$ 6,479,572

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Three Year Forecast 2020-2022

	Proposed Budget 2019	Forecast 2020	Forecast 2021	Forecast 2022
REVENUES:				
Interest Income - Loans	\$ 350	\$ 260	\$ 155	\$ 70
Interest Income - Cash & Investments	10	25	25	25
Proceeds from Land Sales	-	250,000	250,000	200,000
Total Revenues	360	250,285	250,180	200,095
EXPENSES:				
ECIDA Management Fee*	\$ 8,000	\$ 30,000	\$ 30,000	\$ 30,000
Professional Services	23,000	3,600	3,800	3,900
Other Expenses	2,625	2,500	4,000	5,000
Total Expenses	33,625	36,100	37,800	38,900
SPECIAL PROJECTS:				
Industrial Land Park - ESD grant	1,390,000	-	-	-
Industrial Land Park - ECIDA grant	200,000	200,000	200,000	200,000
Industrial Land Park grant reimbursement	(1,390,000)	-	-	-
Industrial Land Park costs	(200,000)	(200,000)	(200,000)	(200,000)
Other grant revenue	509,657	-	-	-
Other grant expenses	(509,657)	-	-	-
	-	-	-	-
NET INCOME/(LOSS):	\$ (33,265)	\$ 214,185	\$ 212,380	\$ 161,195

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the ILDC.