



**Buffalo and Erie County Industrial Land Development Corporation  
Board of Directors Meeting  
September 27, 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 August 23, 2017 Meeting of the Membership (Pages 2-4)

**3.0 Reports / Action Items / Information Items:**

3.1 Financial Report (Pages 5-8)

3.2 Finance & Audit Committee Update (Page 9)

3.3 Proposed Budget Timetable (Page 10)

3.4 Review of the 2018 Budget (Pages 11-14)

3.5 Auditing Services Procurement Memo (Pages 15-18)

3.6 Banking Resolution Approval (Pages 19-22)

3.7 BCP Cover Change Order (Pages 23-26)

3.8 ILDC Tax Exempt Bonds 2016/2017 (Page 27)

3.9 2018 ILDC Board Meeting Schedule (Page 28)

**4.0 Adjournment - Next Meeting October 25, 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:** August 23, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5<sup>th</sup> Floor ESD Conference Room, Buffalo, New York 14203

**PRESENT:** Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Hon. John Mills, John Mudie, Hon. Mark C. Poloncarz and Maria Whyte

**EXCUSED:** Hon. Byron W. Brown

**OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President, Mollie Profic, Treasurer; Karen M. Fiala, Assistant Treasurer; Bradley Bach, Assistant Treasurer; and Robert G. Murray, Secretary

**GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist

There being a quorum present at 8:45 a.m., the meeting of the Board of Directors of the ILDC was called to order by Mr. Poloncarz.

**MINUTES**

Upon motion made by Mr. Lipsitz and seconded by Ms. Whyte, the June 28, 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 July 2017 financial report and noted that the ILDC finished the month with total assets of \$2.75 million and net assets of \$2.7 million. Ms. Profic noted the phased purchase of the Bethlehem Steel property has begun and that land is being added to the ILDC's fixed assets which accounts for the jump in total assets from June to July. Ms. Profic also noted that accounts payable have also increased to reflect legal costs incurred related to the purchase of the Bethlehem Steel property through the end of July. Monthly income shows revenues of \$145,000 and expenses of \$177,000, plus grant income from the ECIDA in the amount of \$1.7 million, resulting in net income of \$1.7 million for the month of July. Other income represents \$144,684 in administrative fees received from the closing of the Charter School for Applied Technologies bond project. That fee income was then passed through to the ECIDA and included in the management fee line. Ms. Profic noted that

professional services consists mainly of legal costs related to the Bethlehem Steel land purchase. The year to date income statement reflects operating revenues of \$147,000 and expenses of \$248,000, combined with grant income of \$2.6 million for net income of \$2.5 million through July, 2017. Mr. Poloncarz directed that the report be received and filed.

Finance & Audit Committee Update. Ms. Profic updated members on the August 17, 2017 joint meeting of the ECIDA, RDC and ILDC Finance & Audit Committee wherein the Committee reviewed and discussed the process regarding the recent Banking Request For Proposals, noting that the Committee has recommended that the ILDC approve M&T Bank as the ILDC's primary bank. Ms. Profic also commented that she reviewed the Bethlehem Steel site transaction, and the status of the Agency's financial report with respect to the annual budget for 2017. Mr. Poloncarz directed that the report be received and filed.

Banking Request for Proposal. Ms. Profic reviewed the Professional Services Request for Proposal process by which the Agency, the RDC and the ILDC have conducted a joint request for proposals for banking services. Ms. Profic noted that the 10 largest banks in Erie County, as ranked by Buffalo Business First were contacted to inquire whether they have a government banking area. RFPs were then sent to 8 banks in total, 7 from the top 10 largest banks and one bank was sent the RFP based on past verbal expression of interest. Ads were also placed in the Buffalo News and the Challenger Community News. Notice of the RFP was also placed on the ILDC's website. Five responses to the RFP were received from Community Bank, N.A., Citizens Bank, Evans Bank N.A., KeyBank N.A. and M&T Bank.

Ms. Profic then noted that an internal staff committee scored the proposals based on specific criteria as provided to board members. A short list of three banks was developed and the staff committee requested additional questions from those three short-listed banks. After receiving answers to those questions, the top 2 banks were then interviewed. As a result, the internal staff committee unanimously recommends M&T Bank due to the following: (1) M&T offered competitive interest rates and the highest earnings credit rate; (2) M&T has a dedicated government banking team headquartered in Buffalo; (3) the principal relationship manager for ECIDA has over 11 years of government banking experience; (4) clients include other IDAs, state agencies, counties, and public authorities; (5) M&T Bank offered a no service charge proposal if they were selected as the prime deposit bank; (6) M&T has received and "outstanding" CRA rating since 1989; and (7) M&T offers a dedicated project management team to assist us with our banking transition. The committee also felt M&T's web-based banking, transaction services, and positive pay features were superior.

Ms. Profic also noted that on August 17, 2017, the Joint Finance & Audit Committee reviewed the RFP results as described above and recommended that the ILDC Board approve the selection of M&T Bank as the prime bank.

Mr. Mills moved and Ms. Whyte seconded to approve of M&T Bank. Mr. Poloncarz called for the vote and M&T Bank was selected as the ILDC's prime bank to provide banking, cash management, and investment services to the ILDC.

Shoreline Bicycle Trail – Property Easement/Nominal Sale. Mr. Cappellino described this action item noting that the ILDC is partnering with Erie County in the development of the

Shoreline Trail along the former Bethlehem Steel site in Lackawanna, New York. Mr. Cappellino commented that Erie County will be utilizing approximately \$1 million of funding through the New York State Department of Transportation and County General Obligation Bonding to acquire and construct the trail. The trail will consist of a passive recreational and bicycle trail which will connect to the existing Outer Harbor Shoreline Trail at the Buffalo and Lackawanna border, continuing approximately 6,500 linear feet to the proposed Donna Street extension in the City of Lackawanna. Mr. Cappellino also noted that this proposed 50 feet wide trail right of way would run parallel to Route 5 along the eastern border of the Bethlehem Steel property recently purchased by the ILDC. In order to obligate the funding, the New York State Department of Transportation requires that Erie County has either obtained a permanent easement or ownership of the Shoreline Trail, as described above, by September 1, 2017.

Mr. Cappellino then explained that the action being requested today would be to approve and authorize the ILDC to: (1) convey a permanent easement for nominal consideration for the Shoreline Trail Right of Way to Erie County; (2) adopt a negative declaration in accordance with SEQRA; (3) authorize the sale for nominal consideration of the Shoreline Trail Right of Way to the County of Erie; and (4) provide that construction of the trail comply with all environmental and site development requirements agreed to by ILDC through the Tecumseh Redevelopment land purchase agreement.

At this point in time, Mr. Lorigo joined the meeting.

Ms. Whyte thanked Mr. Cappellino for his presentation and noted that this is a two-step process, wherein the ILDC will provide the County with an easement first, and then fee title second. Mr. Lipsitz moved and Mr. Mudie seconded to approve of the easement and nominal sale of the Bethlehem Steel Shoreline Trail property. Mr. Poloncarz then called for vote, and the following resolution was unanimously approved:

RESOLUTION AUTHORIZING THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION: (i) TO CONVEY A PERMANENT EASEMENT THROUGH, OVER AND ACROSS THE SHORELINE TRAIL PARCEL AS MORE PARTICULARLY DESCRIBED HEREIN, TO THE COUNTY OF ERIE; (ii) TO CONVEY FEE TITLE TO THE SHORELINE TRAIL PARCEL TO THE COUNTY OF ERIE; (iii) TO CONFIRM THAT THERE IS NO REASONABLE ALTERNATIVE TO A BELOW FAIR MARKET VALUE TRANSFER OF THE PERMANENT EASEMENT AS RELATED TO THE SHORELINE TRAIL PARCEL TO THE COUNTY OF ERIE AND FEE TITLE TO THE REAL PROPERTY CONSTITUTING THE SHORELINE TRAIL PARCEL TO THE COUNTY OF ERIE; AND (iv) TO AUTHORIZE THE CORPORATION TO TAKE ALL RELATED ACTIONS THERETO

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

Dated: August 23, 2017

---

Robert G. Murray, Secretary

Page 3 of 3

**Industrial Land Development Corp.**  
**Financial Statements**  
As of August 31, 2017

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**

**Balance Sheet**

August 31, 2017

	<b>August 2017</b>	<b>July 2017</b>	<b>December 2016</b>
<b>ASSETS:</b>			
Restricted Cash *	\$ 197,603	\$ 197,326	\$ 215,046
Loans Receivable, net	29,188	29,968	17,586
Loan Interest Receivable	25	25	25
Total Loan Assets	<u>29,213</u>	<u>29,993</u>	<u>17,611</u>
Fixed Assets	2,525,478	2,525,478	-
Total Assets	<u>\$ 2,752,294</u>	<u>\$ 2,752,797</u>	<u>\$ 232,657</u>
<b>LIABILITIES &amp; NET ASSETS:</b>			
Accounts Payable	\$ 22,151	\$ 25,313	\$ 3,860
Due to/(from) ECIDA	404	362	1,039
Interest Payable - HUD	15	12	31
Total Liabilities	<u>22,570</u>	<u>25,687</u>	<u>4,930</u>
Restricted Fund Balance	<u>2,729,724</u>	<u>2,727,110</u>	<u>227,727</u>
Total Liabilities & Net Assets	<u>\$ 2,752,294</u>	<u>\$ 2,752,797</u>	<u>\$ 232,657</u>

	<b>August 2017</b>	<b>July 2017</b>	<b>December 2016</b>
<b>* Loan Portfolio Summary:</b>			
# 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 August 2017

	<b>Actual vs. Budget</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES:</b>			
Interest Income - Loans	\$ 50	\$ 3	\$ 47
Other Income	339,000	-	339,000
Total Revenues	<u>339,050</u>	<u>3</u>	<u>339,047</u>
<b>EXPENSES:</b>			
Management Fee - ECIDA	\$ 339,042	\$ 42	339,000
Professional Services	22,151	25	22,126
Other Expenses	244	50	194
Total Expenses	<u>361,437</u>	<u>117</u>	<u>361,320</u>
<b>SPECIAL PROJECT GRANTS:</b>			
ECIDA Bethlehem Industrial Park Grant	25,000	-	25,000
<b>NET INCOME/(LOSS) BEFORE</b>			
<b>NON-RECURRING ITEMS:</b>	<u>\$ 2,613</u>	<u>(114)</u>	<u>2,727</u>
<b>NET INCOME/(LOSS):</b>	<u>\$ 2,613</u>	<u>\$ (114)</u>	<u>\$ 2,727</u>

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**

**Income Statement**

Year to Date: August 31, 2017

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
<b>REVENUES:</b>						
Interest Income - Loans	\$ 402	\$ 20	\$ 382	\$ 402	\$ 100	\$ 302
Other Income	485,885	-	485,885	485,885	1,322	484,563
Total Revenues	<u>486,287</u>	<u>20</u>	<u>486,267</u>	<u>486,287</u>	<u>1,422</u>	<u>484,865</u>
<b>EXPENSES:</b>						
Management Fee - ECIDA	\$ 484,017	\$ 333	483,684	\$ 484,017	\$ 333	\$ 483,684
Provision for Loan Losses	-	-	-	-	(1,359)	1,359
Professional Services	119,947	200	119,747	119,947	309	119,638
Other Expenses	5,876	400	5,476	5,876	1,164	4,712
Total Expenses	<u>609,840</u>	<u>933</u>	<u>608,907</u>	<u>609,840</u>	<u>447</u>	<u>609,393</u>
<b>SPECIAL PROJECT GRANTS:</b>						
ECIDA Bethlehem Industrial Park Grant	2,625,550	-	2,625,550	-	-	2,625,550
	<u>2,625,550</u>	<u>-</u>	<u>2,625,550</u>	<u>-</u>	<u>-</u>	<u>2,625,550</u>
<b>NET INCOME/(LOSS) BEFORE NON-RECURRING ITEMS:</b>	<u>2,501,997</u>	<u>(913)</u>	<u>2,502,910</u>	<u>(123,553)</u>	<u>975</u>	<u>2,501,022</u>
<b>NET INCOME/(LOSS):</b>	<u>\$ 2,501,997</u>	<u>\$ (913)</u>	<u>\$ 2,502,910</u>	<u>\$ (123,553)</u>	<u>\$ 975</u>	<u>\$ 2,501,022</u>





To: ECIDA, RDC & ILDC Board of Directors  
From: Michael Szukala, Chair  
Date: September 27, 2017  
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 September 12, 2017. The following items were reviewed:

1) Professional Auditing Services Request for Proposals

Mollie Profic, Controller, reported on the five proposals that were received in response to ECIDA & Related Entities’ Professional Auditing Services RFP. Following discussion, the Committee recommended that the Board approve the appointment of Freed Maxick CPAs to provide professional auditing services for ECIDA, RDC, and ILDC for the 2017 and 2018 year end audits, with an option of contracting with the firm for the 2019-2021 audits.

2) Draft 2018 Budgets + 3 Year Forecasts for ECIDA, RDC and ILDC

Mollie Profic, Controller, reviewed the 2018 draft budgets and 3 year forecasts for ECIDA, RDC and ILDC, as well as the capital budget for ECIDA. Following discussion on each, the Committee voted to recommend approval of the budgets to the respective Boards, subject to adjustments of greater than \$100,000. If there are any changes to any of the budgets in excess of \$100,000, the Committee will meet again to review the updated budget(s).



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

**2018 Budget Review**

<b>Date</b>	<b>Description</b>	
July-August	Review of proposed 2018 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
September 12 <sup>th</sup>	Finance & Audit Committee review/approval of proposed budgets.	✓
September 27 <sup>th</sup>	Formal review of 2018 draft budgets at Board meetings.	
October 5 <sup>th</sup> (12:00 pm)	Board Q&A budget session #1 (voluntary).	
October 12 <sup>th</sup> (10:00 am)	Board Q&A budget session #2 (voluntary).	
October 17 <sup>th</sup>	Adjustments to budget based on Board feedback and Finance & Audit Committee approval of final budgets ( <i>if necessary</i> ).	
October 25 <sup>th</sup>	Board meeting – action to approve final 2018 budgets.	
November 1 <sup>st</sup>	Deadline for final approved budget to be submitted to the ABO.	

**Industrial Land Development Corp**  
**2018 Budget**

# ***Industrial Land Development Corporation (ILDC)***

## **Proposed 2018 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 2018 Budget:**

The following summarizes the key changes between the 2018 budget and the projected 2017 results:

- The decrease in both Other Income and ECIDA Management Fee is due to the fact that in 2017, 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 2018 due to the infrequent nature of bond issuances.
- The Special Projects section of the budget relates to ILDC’s acquisition of land in 2017. \$6.7 million was granted to ILDC from ECIDA in 2017, \$5.7 to acquire this land and \$1 million for carrying costs. \$200,000 is budgeted to be used in 2018 toward these carrying costs. ILDC also anticipates receiving the first installment of grant revenue from Empire State Development to offset the cost of the land purchase, which will be passed through to ECIDA’s UDAG Fund. Correspondingly, the increase in Professional Services budget to \$3,800 in 2018 relates to anticipated legal and accounting costs.

### **B. Summary of Risk Factors impacting the 2018 Budget:**

The following significant risk factor may influence the 2018 budget:

1. Due to numerous uncertainties, the value of collateral, guarantees, etc., ILDC’s 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 2018 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 2018**

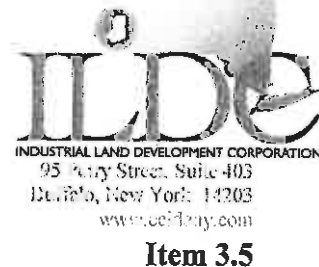
	<b>Proposed Budget 2018</b>	<b>Approved Budget 2017</b>	<b>Projected 2017</b>	<b>Actual 2016</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 500	\$ 30	\$ 603	\$ 228
Grant Revenue	-	-	-	-
Other Income	-	-	510,885	445,999
<b>Total Revenues</b>	<b>500</b>	<b>30</b>	<b>511,488</b>	<b>446,227</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 29,000	\$ 500	484,184	\$ 158,212
Provision for Loan Losses	-	-	-	(1,359)
Professional Services	3,800	300	33,898	30,535
General Office Expenses	-	100	-	-
Other Expenses	2,750	500	1,915	289,123
<b>Total Expenses</b>	<b>35,550</b>	<b>1,400</b>	<b>519,997</b>	<b>476,511</b>
<b>SPECIAL PROJECTS:</b>				
Industrial Land Park (ECIDA/ESD grants)	1,600,000	-	5,700,000	-
Industrial Land Park costs/grant reimbursement	(1,600,000)	-	-	-
	-	-	5,700,000	-
<b>NET INCOME/(LOSS):</b>				
	\$ (35,050)	\$ (1,370)	\$ 5,691,491	\$ (30,284)

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

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**  
**Proposed 3-Year Forecast 2019-2021**

	<b>Proposed Budget 2018</b>	<b>Forecast 2019</b>	<b>Forecast 2020</b>	<b>Forecast 2021</b>
<b>REVENUES:</b>				
Interest Income - Loans	\$ 500	\$ 375	\$ 225	\$ 100
Interest Income - Cash & Investments	-	25	25	25
Proceeds from Land Sales	-	-	250,000	250,000
<b>Total Revenues</b>	<b>500</b>	<b>400</b>	<b>250,250</b>	<b>250,125</b>
<b>EXPENSES:</b>				
ECIDA Management Fee*	\$ 29,000	\$ 30,000	\$ 30,000	\$ 30,000
Professional Services	3,800	3,500	3,600	3,800
Other Expenses	2,750	2,500	4,000	5,000
<b>Total Expenses</b>	<b>35,550</b>	<b>36,000</b>	<b>37,600</b>	<b>38,800</b>
<b>SPECIAL PROJECTS:</b>				
Industrial Land Park (ECIDA/ESD grants)	1,600,000	900,000	880,000	200,000
Industrial Land Park costs/grant reimbursement	(1,600,000)	(900,000)	(880,000)	(200,000)
	-	-	-	-
<b>NET INCOME/(LOSS):</b>	<b>\$ (35,050)</b>	<b>\$ (35,600)</b>	<b>\$ 212,650</b>	<b>\$ 211,325</b>

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



## MEMORANDUM

**TO:** ECIDA, RDC and ILDC Boards of Directors  
**FROM:** Mollie Profic, Controller & Treasurer  
**SUBJECT:** Audit RFP Recommendation  
**DATE:** September 27, 2017

---

The ECIDA's Professional Services Request for Proposals (RFP) Process requires proposals for Professional Auditing Services to be solicited at least every 5 years. Proposals were last solicited in 2012, therefore the Agency is required to do an RFP in 2017. On July 18 2017, the Agency issued an RFP for Professional Auditing Services requesting one CPA firm to jointly audit the Agency and its affiliates, Buffalo Urban Development Corporation ("BUDC") and its affiliates and Western Region Corporation ("WRC"). The joint audit is to reduce total audit costs and improve overall audit efficiencies as the ECIDA's Finance Department is responsible for the financial reporting of all of the entities. The RFP requested services for two (2) years from January 1, 2017 to December 31, 2018, with an option of contracting for an additional three (3) years (2019-2021). The length of the potential contract also coincides with the Public Authorities Law which requires rotation of the audit partner every five (5) years.

A hard copy of the RFP was mailed to the top twenty (20) accounting firms per the 2017 Business First Book of Lists. Ads were also placed in the Buffalo News and Challenger Community News stating the Agency issued an RFP for these services. In addition, the RFP was posted on ECIDA's website. The RFP responses were due on Friday, August 25. Five (5) proposals were received from local firms.

Proposals were evaluated by Mollie Profic, Controller, Bradley Bach, Senior Accountant, and Peter Cammarata, BUDC President, and points were assigned based on the following criteria as stated in the RFP:

- 1) Qualifications and experience of the audit firm. (30%)
- 2) Qualifications and experience of the partners and staff proposed for the engagement. (30%)
- 3) All-inclusive cost for the potential five-year engagement. (40%)
- 4) Compliance with local, State or Federal statutes and regulations.

- 5) Anticipated potential audit problems (if any).
- 6) Submission of proposal by due date.

**Results:**

- 1) Freed Maxick – Ranked 1<sup>st</sup> due to their experience auditing similar IDAs (Genesee County, Wyoming County) and the related revolving loan funds, and a government services practice area of over 20 employees. They laid out a detailed audit approach and addressed the need for a smooth transition. The proposed audit team has significant government and not-for-profit audit experience. The firm is located in Buffalo and is an independent member of the RSM US Alliance, which provides access to resources of the nation’s fifth largest CPA firm. Their average audit fee over 5 years for all entities is **\$59,420**.
- 2) Lumsden McCormick – Ranked 2<sup>nd</sup> due to their extensive governmental experience, as well as experience with the entities as our auditors from 2012-2016. They serve clients such as the Niagara County IDA and NFTA. The Principal on the engagement team has audited the entities for over ten years and possesses significant knowledge of the organizations. The firm is located in Buffalo and is an independent member of the BDO Seidman Alliance. Their average audit fee over 5 years for all entities is **\$65,680**.
- 3) Drescher & Malecki – Ranked 3<sup>rd</sup>. The firm has extensive governmental experience and focuses solely on government and not-for-profit clients. They currently serve the Clarence and Lancaster IDAs and are located in Cheektowaga. Their average audit fee over 5 years for all entities is **\$57,093**.
- 4) Bonadio & Co. – Ranked 4<sup>th</sup>. They provide auditing services to many governmental entities including the Amherst IDA and County of Monroe IDA. The firm has a government services staff of 28 and is located in Amherst. Their average audit fee over 5 years for all entities is **\$60,890**.
- 5) EFPR Group – Ranked 5<sup>th</sup>. The firm has a governmental services practice area of 50 employees and serves several IDAs across the state. They are headquartered in Rochester with an office in Williamsville. Their average audit fee over 5 years for all entities is **\$59,600**.

On September 12, 2017 the Joint Finance & Audit Committee of ECIDA, RDC, and ILDC reviewed the above and recommended that their respective Boards approve the selection of Freed Maxick.

**Recommendation:**

We request that each of the Boards of the ECIDA, RDC, and ILDC approve the selection of Freed Maxick to provide professional auditing services for the 2017 & 2018 audits with an option of contracting with the firm for the 2019, 2020 & 2021 audits.



**RESOLUTION OF THE  
BUFFALO AND ERIE COUNTY  
INDUSTRIAL LAND DEVELOPMENT CORPORATION**  
*(Professional Auditing Services)*

WHEREAS, the Buffalo and Erie County Industrial Land Development Corporation (the “ILDC”) desires to adopt a resolution which will provide the necessary authority for the ILDC to enter into an engagement with a professional auditing services firm; and

WHEREAS, the ILDC, in unison and tandem with its affiliates the Erie County Industrial Development Agency (the “Agency”) and the Buffalo and Erie Regional Development Corporation, utilized the Agency’s Professional Services Requests for Proposals Process (the “RFP Process”) adopted on September 8, 2008, which requires proposals for Professional Auditing Services to be solicited at least every five years; and

WHEREAS, the ILDC, on July 18, 2017, issued a Request for Proposals for Professional Auditing Services (the “Auditing Services RFP”); and

WHEREAS, the Auditing Services RFP was mailed to the top twenty accounting firms per the 2017 Buffalo Business First Book of Lists, ads were placed in the Buffalo News and Challenger Community News stating that the ILDC issued the Auditing Services RFP, and the Auditing Services RFP was posted on ILDC’s website; and

WHEREAS, five (5) proposals were timely received from local firms; and

WHEREAS, an internal ILDC staff committee reviewed and scored the Auditing Services RFP responses in accordance with certain scoring criteria evaluating: (i) the qualifications and experience of the respondents, (ii) the qualifications and experience of the respondent’s partners and staff, (iii) the all-inclusive cost figure for the potential five-year engagement, (iv) compliance with local, State or Federal statutes and regulations, and (v) anticipated potential audit problems; and

WHEREAS, the internal ILDC staff committee has unanimously recommended that Freed Maxick be selected to provide professional auditing services; and

WHEREAS, on September 12, 2017, the ILDC’s Finance & Audit Committee reviewed the Auditing Services RFP process and the ILDC’s staff memorandum regarding the recommendation of Freed Maxick, and unanimously resolved to recommend to the ILDC that Freed Maxick be chosen to provide auditing services to the ILDC for the 2018 and 2019 fiscal years of the ILDC, with the option for Freed Maxick to be engaged for the 2020, 2021, and 2022 fiscal years of the ILDC, consistent with the term of such an engagement as described in the RFP Process, upon satisfactory review of Freed Maxick’s performance and fees for the 2018 and 2019 fiscal years, said review to be undertaken by the Finance and Audit Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1: The ILDC hereby confirms that it is authorized to select a professional auditing services firm to provide auditing services to the ILDC consistent with the RFP Process.

Section 2: Effective with the adoption of this resolution, the ILDC hereby finds, in comparison to the other Auditing Services RFP respondents, that Freed Maxick has significant auditing experience auditing similarly situated entities including experience with revolving loan funds, has a large government services practice group consisting of over 20 employees, has significant government and not-for-profit audit experience, and has access via a partnership with RSM US Alliance, which is the nation's fifth largest CPA Firm, thus providing additional access to resources and knowledge and, while the Freed Maxick fee proposal was the second lowest of all respondents, its strengths and assets as described herein outweigh the cost differential.

Section 3. The ILDC hereby selects Freed Maxick to provide professional auditing services for the 2018 and 2019 fiscal years, and hereby directs the ILDC's Finance and Audit Committee to review Freed Maxick's 2018 and 2019 performance and fees and further, resolves and confirms that, the based upon the ILDC's Finance and Audit Committee's satisfactory review of same, and upon the approval of the ILDC's Finance and Audit Committee, that Freed Maxick continue to be retained to provide auditing services for the 2020, 2021, and 2022 fiscal years.

Section 4. The officers, employees and agents of the ILDC are hereby authorized and directed for and in the name and on behalf of the ILDC to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 5. This Resolution shall take effect immediately.

ADOPTED: September 27, 2017



## MEMORANDUM

**TO:** ILDC Board of Directors  
**FROM:** Mollie Profic, Treasurer & Controller  
**SUBJECT:** M&T Bank Resolution  
**DATE:** September 27, 2017

---

On August 23, 2017 the Board of Directors approved the designation of M&T bank as ILDC's official depository of funds and to provide cash management and investment services to the Corporation as described in the Joint Request for Proposals for Public-Sector Cash Management & Investment Services that was conducted.

M&T Bank has a standard Public Funds Certified Resolution, the content of which differs slightly from the resolution adopted on August 23, 2017. This resolution is required for each account opened by the Corporation. As all the resolutions will be identical other than the account name, one is included for the Board's review.

**Action:**

The ILDC Board is requested to approve the attached resolution and authorize the execution of the remaining Public Funds resolutions related to the Corporation's accounts.



**PUBLIC FUNDS CERTIFIED RESOLUTION**

ACCOUNT NUMBER \_\_\_\_\_ SAFE DEPOSIT BOX \_\_\_\_\_ SAFE DEPOSIT BOX  
BRANCH LOCATION (C#) \_\_\_\_\_ NUMBER \_\_\_\_\_

DEPOSITOR Buffalo & Erie County Industrial Land Development Corporation  
ECBDF \_\_\_\_\_

**NAME** Steven Weathers

ROLE / TITLE President/CEO

ADDRESS 95 Perry Street, Suite 403 Buffalo, NY 14203

TELEPHONE \_\_\_\_\_

EMAIL ADDRESS (if available) \_\_\_\_\_

U.S. SSN \_\_\_\_\_

COUNTRY(IES) OF CITIZENSHIP USA

COUNTRY OF RESIDENCE USA

DATE OF BIRTH \_\_\_\_\_

SIGNATURE \_\_\_\_\_

**NAME** John Cappellino

ROLE / TITLE Executive Vice President

ADDRESS 95 Perry Street, Suite 403 Buffalo, NY 14203

TELEPHONE \_\_\_\_\_

EMAIL ADDRESS (if available) \_\_\_\_\_

U.S. SSN \_\_\_\_\_

COUNTRY(IES) OF CITIZENSHIP US

COUNTRY OF RESIDENCE US

DATE OF BIRTH \_\_\_\_\_

SIGNATURE \_\_\_\_\_

**NAME** Mollie Profic

ROLE / TITLE Treasurer

ADDRESS 95 Perry Street, Suite 403 Buffalo, NY 14203

TELEPHONE \_\_\_\_\_

EMAIL ADDRESS (if available) \_\_\_\_\_

U.S. SSN \_\_\_\_\_

COUNTRY(IES) OF CITIZENSHIP \_\_\_\_\_

COUNTRY OF RESIDENCE \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_

SIGNATURE \_\_\_\_\_

**NAME** Bradley Bach

ROLE / TITLE Assistant Treasurer

ADDRESS 95 Perry Street, Suite 403 Buffalo, NY 14203

TELEPHONE \_\_\_\_\_

EMAIL ADDRESS (if available) \_\_\_\_\_

U.S. SSN \_\_\_\_\_

COUNTRY(IES) OF CITIZENSHIP \_\_\_\_\_

COUNTRY OF RESIDENCE \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_

SIGNATURE \_\_\_\_\_



**PUBLIC FUNDS CERTIFIED RESOLUTION**

ACCOUNT NUMBER \_\_\_\_\_ SAFE DEPOSIT BOX BRANCH LOCATION (CC#) \_\_\_\_\_ SAFE DEPOSIT BOX NUMBER \_\_\_\_\_

DEPOSITOR Buffalo & Erie County Industrial Land Development Corporation  
ECBDF \_\_\_\_\_

**NAME** Karen Fiala

ROLE / TITLE Assistant Treasurer

ADDRESS 95 Perry Street, Suite 403 Buffalo, NY 14203

TELEPHONE \_\_\_\_\_

EMAIL ADDRESS (if available) \_\_\_\_\_

U.S. SSN \_\_\_\_\_

COUNTRY(IES) OF CITIZENSHIP USA

COUNTRY OF RESIDENCE USA

DATE OF BIRTH \_\_\_\_\_

SIGNATURE \_\_\_\_\_

**NAME** \_\_\_\_\_

ROLE / TITLE \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_

EMAIL ADDRESS (if available) \_\_\_\_\_

U.S. SSN \_\_\_\_\_

COUNTRY(IES) OF CITIZENSHIP \_\_\_\_\_

COUNTRY OF RESIDENCE \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_

SIGNATURE \_\_\_\_\_

**NAME** \_\_\_\_\_

ROLE / TITLE \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_

EMAIL ADDRESS (if available) \_\_\_\_\_

U.S. SSN \_\_\_\_\_

COUNTRY(IES) OF CITIZENSHIP \_\_\_\_\_

COUNTRY OF RESIDENCE \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_

SIGNATURE \_\_\_\_\_

**NAME** \_\_\_\_\_

ROLE / TITLE \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_

EMAIL ADDRESS (if available) \_\_\_\_\_

U.S. SSN \_\_\_\_\_

COUNTRY(IES) OF CITIZENSHIP \_\_\_\_\_

COUNTRY OF RESIDENCE \_\_\_\_\_

DATE OF BIRTH \_\_\_\_\_

SIGNATURE \_\_\_\_\_

I certify that Depositor named above has duly authorized the opening of a deposit account pursuant to the agreement on M&T Bank's Commercial Deposit Account Opening Request, and that I am duly authorized to act on behalf of Depositor; that Depositor is:

- an agency or department of the United States,
- an agency, division or department of the State of New York,
- a State of \_\_\_\_\_ local government entity (county, town, village),
- a school district,
- a fire district, or
- other \_\_\_\_\_

duly organized and validly existing under the laws of the State of \_\_\_\_\_; and, if applicable, that the resolutions set forth below or provided separately to M&T Bank have been duly adopted by the Board of of Depositor, at a meeting duly called and held on \_\_\_\_\_; that each of such resolutions is in full force and effect and none has been rescinded, revoked, or modified; and that none of such resolutions nor any action pursuant thereto will violate any law, rule, regulation, charter, by-law or agreement by which Depositor is governed, constituted or bound. RESOLVED, that:

1. Manufacturers and Traders Trust Company ("M&T Bank"), a New York banking corporation, is hereby designated a depository for this entity (the "Depositor") and the officers or employees named herein or on a Rider hereto are hereby authorized to open one or more deposit accounts from time to time (each an "Account") on behalf of Depositor.
2. M&T Bank may purchase, give credit for, cash, accept, certify and pay from funds on deposit in the Account, without inquiry, all items signed, drawn, accepted or endorsed on behalf of Depositor, whether under a title, the words "Authorized Signature" or otherwise, with the actual or purported facsimile signature of any one of the officials whose names, capacities and specimen signatures appear above or on a Rider hereto, or his or her successor in office (each an "Authorized Signer"), regardless of the circumstances under which the signature shall have become affixed so long as the signature is the actual signature of an Authorized Signer or resembles the facsimile signature of an Authorized Signer previously certified to M&T Bank. Depositor shall indemnify M&T Bank against all claims, damages, liabilities, costs and expenses (including, but not limited to, attorneys' fees and disbursements) incurred by M&T Bank in connection with honoring any signature of any Authorized Signer (including any facsimile signature that resembles the facsimile signature of an Authorized Signer previously certified to M&T Bank) or any refusal to honor the signature of any person who is not an Authorized Signer. Depositor acknowledges and agrees that any requirement of Depositor that any item or other instrument for the payment of money signed, drawn, accepted or endorsed on behalf of Depositor bear the signature of more than one Authorized Signer is solely an internal requirement of Depositor and imposes no duty of enforcement on M&T Bank.
3. Any Authorized Signer may, on behalf of Depositor, transact with and through M&T Bank all such business as he or she deems advisable upon such terms as he or she deems proper, including, but not limited to, obtaining an undertaking and pledge of collateral for uninsured balances in the Account, entering into custodial agreements concerning such collateral, obtaining such loans and other extensions of credit as may be consistent with applicable law, discounting, selling, assigning, delivering and negotiating items, guaranteeing the obligations of others pursuant to applicable law, applying for letters of credit, electronic funds transfers, capital markets products, automated clearing house ("ACH") payments, cash management, trust and investment products and any other services or transactions, and, in compliance with all applicable law and procedures, pledging, hypothecating, assigning, mortgaging, encumbering, granting security interests in and otherwise creating liens upon Depositor's property, whether real or personal, tangible or intangible ("Property"), as security for loans and other extensions of credit, and in connection with any such transaction of business do all acts or other things as he or she shall deem proper including, but not limited to, signing, drawing, accepting, executing and delivering items, guarantees, assignments, pledges, hypothecations, receipts, waivers, releases and other instruments, agreements and documents, making and receiving delivery of Property, accepting, receiving, withdrawing and waiving demands and notices and incurring and paying liabilities, costs and expenses.
4. In the event an Authorized Signer acting on behalf of Depositor shall apply to or contract with M&T Bank for any electronic funds transfer service that M&T Bank may make available to Depositor, including, but not limited to, any service that contemplates M&T Bank's execution of payment orders initiated by Depositor for the wire or ACH transfer of funds to or from an Account of Depositor, such Authorized Signer shall be empowered on behalf of Depositor to designate one or more persons (who may, but need not be, Authorized Signers), each of whom, acting alone, shall be authorized on behalf of Depositor to transmit payment orders to M&T Bank for the transfer of funds to or from Depositor's Account.
5. Each person identified as an Authorized Signer, and each person or persons designated by an Authorized Signer to act on behalf of Depositor (who may, but need not be, Authorized Signers), shall have the power and authority to transact business and bind Depositor through electronic medium (e.g., the Internet) and M&T Bank may rely on any of the following to the same extent as the actual signature and proof of identity of each such person to bind Depositor: any electronic signature or digital signature, under applicable law, of such person; any identifier issued by M&T Bank, its affiliates or any other party (e.g., Personal Identification Number associated with ATM or other card or any access device) to such person; or any other criteria that M&T Bank may reasonably rely on which may serve as an indicator of authentication for such person.

I further certify that each person whose name appears above or on a Rider hereto opposite an office has been duly elected or appointed to and now holds such office of Depositor; that each other person whose name thus appears is acting for Depositor in the capacity opposite such other person's name; and that each signature on this certification or a Rider hereto is a true specimen of the signature of the person whose signature it purports to be.

**X**

Date	Authorized Signature	Title
------	----------------------	-------



MEMORANDUM  
September 27, 2017

TO: Members of the Erie County Industrial Development Agency  
Members of the Board of Directors of the Buffalo and Erie County Industrial Land  
Development Corporation

RE: Change Order Request - BCP Cover System, Bethlehem Steel Project

In February of 2017, the Erie County Industrial Development Agency ("Agency") resolved to provide the Buffalo and Erie County Industrial Land Development Corporation ("ILDC") \$6,700,000 to fund the carrying and acquisition costs for the purchase of approximately 150 acres of the former Bethlehem Steel site in Lackawanna, New York ("Real Property").

As a condition of the purchase the ILDC required the current property owner Tecumseh Redevelopment, to install a land cover system which would meet the NYSDEC's Brownfield Cleanup Program("BCP") requirements on approximately 90 acres of the property by December 31<sup>st</sup> of 2017. This would ensure the ILDC that the property would receive a Certificate of Completion for the remediation and future projects would be eligible for BCP tax credits.

The original budget request for the acquisition was based on costs associated with utilizing slag as the cover material for the 90 acres. Due to a delay in gaining Albany DEC approval for the slag cover system, the cover system was switched to soil cover system. The switch to the soil system allowed for the property to continue to be covered in an effort to meet the December 31<sup>st</sup> deadline. The change in cover material from slag to soil will result in an increase in cost of approximately \$700,000 to cover the full 90 acres of property as was originally planned. The delay in gaining DEC approval for the cover system and the switch to a soil cover system has acerbated an already tight schedule.

The original funding allocation will allow for the installation of the soil cover system on approximately 70 acres of the site. This change order request of an additional \$700,000 will allow the ILDC to pursue covering of an additional 20 acres which would allow for the cover system to be installed on the full 90 acres as originally planned should the schedule allow. In the event the schedule does not allow for the full completion of the additional 20-acre cover system, any unused funds associated with this change order would be returned to the ECIDA UDAG fund.



1. Agency Actions.

The Agency must resolve to grant an additional \$700,000 to the ILDC from the Agency's UDAG Fund, said funds to be used by the ILDC to pay for the additional change order costs associated with the soil cover system for the purchase of the Real Property.

2. ILDC Actions.

The ILDC must resolve to receive an additional grant amount of \$700,000 from the Agency's UDAG Fund, to enable the ILDC to pay for the change order costs associated with the soil cover system for the purchase the Real Property. Any portion of the additional grant amount that is not able to be used for the soil cover system costs shall be returned to the Agency's UDAG Fund.



**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND  
DEVELOPMENT CORPORATION**

**AMENDATORY RESOLUTION**

*(UDAG Grant from ECIDA for Bethlehem Steel Project)*

A meeting of the Buffalo and Erie County Industrial Land Development Corporation was convened on September 27, 2017, at 8:45 a.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ILDC") AUTHORIZING THE ILDC TO RECEIVE ADDITIONAL FUNDING IN THE AMOUNT OF \$700,000 FROM THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY'S ("AGENCY") U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT URBAN DEVELOPMENT ACTION GRANT ("UDAG") REFLOW FUND TO ENABLE THE ILDC TO COMPLETE ITS PURCHASE OF CERTAIN REAL PROPERTY LOCATED ON THE FORMER BETHLEHEM STEEL SITE IN LACKAWANNA, NEW YORK (THE "REAL PROPERTY")

WHEREAS, on February 22, 2017, the ILDC resolved (the "Initial Resolution") to receive UDAG grant funding from the Agency in an amount not to exceed \$5,700,000 to purchase the Real Property and an amount not to exceed \$1,000,000 to carry the real property with respect to the ILDC's contemplated acquisition, remediation, and redevelopment of the Real Property (the "ILDC Project"); and

WHEREAS, estimated costs for the ILDC to acquire the real property were based on seller's costs associated with remediating the Real Property utilizing a slag based cover system; and

WHEREAS, New York State Department of Environmental Conservation (the "DEC") officials from the DEC's Albany, New York office overseeing the environmental remediation of the Real Property have delayed their required approval of the slag based cover system, causing seller to utilize a soil based cover system in order to allow for the Real Property to be timely remediated prior to the December 31, 2017 termination date of the brownfield cleanup program within which the Real Property is currently enrolled; and

WHEREAS, the change from utilizing a slag based cover system to utilizing a soil based cover system will result in an increase in remediation and land acquisition costs in the amount of approximately \$700,000 to cover and remediate the 90 acre portion of the Real Property that the ILDC desires to purchase in a remediated condition as originally contemplated; and

WHEREAS, due to the need to utilize a more costly soil based cover system, the original funding amount authorized by the Agency to cover and acquire a 90 acre portion of the Real Property in a remediated condition is only sufficient to allow for a soil based cover system to be applied on a 70 acre portion of the Real Property; and

WHEREAS, the ILDC is requesting an additional \$700,000 in UDAG reflow funds from the Agency to allow the ILDC to pursue the purchase of the remaining 20 acres of the original 90 acre portion of the Real Property desired to be purchased in a remediated condition thus permitting the ILDC to ultimately purchase a 90 acre portion of the Real Property in a remediated condition as originally contemplated; and

WHEREAS, the ILDC has proposed that, in the event the seller's remediation and closing schedule does not allow for the full installation of the soil based cover system on the 20 acre portion of the Real Property that is the subject of this Resolution, then any unused funds associate with this additional \$700,000 in UDAG funds be returned to the Agency.

**NOW, THEREFORE, BE IT RESOLVED BY THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION AS FOLLOWS:**

Section 1. All recitals, findings and determinations of the ILDC contained in the Initial Resolution, including all UDAG grant reflow fund repayment provisions contained therein, are hereby reaffirmed, ratified, restated and incorporated herein by reference as if set forth herein in their entirety, except as modified by this Resolution.

Section 2. The ILDC hereby approves and authorizes the receipt of additional funding of the ILDC Project and the receipt of grant proceeds of UDAG reflow funds in an amount not to exceed \$700,000 from the Agency to allow the ILDC to purchase the Real Property as described herein.

Section 3. The officers, employees and agents of the ILDC are hereby authorized and directed for and in the name and on behalf of the ILDC to do all acts and things required and necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions.

Section 4. This Resolution shall take effect immediately.

Dated: September 27, 2017

**ILDC - Tax Exempt Bonds 2016/2017**

<b>Project Name</b>	<b>Indocment Date</b>	<b>Indocment Amount</b>	<b>Closing Date</b>	<b>Closing Amount</b>	<b>Project Status</b>
854 Ellicott Street, LLC (ILDC)	6/22/2016	\$ 53,500,000	9/9/2016	\$ 44,328,500	Active
Charter School for Applied Technologies (ILDC)	4/26/2017	\$ 27,817,334	7/28/2017	\$ 22,995,000	Active
Tapestry Charter School (ILDC)	5/24/2017	\$ 35,000,000	8/3/2017	\$ 33,900,000	Active
<b>Total</b>		<b>\$ 116,317,334</b>		<b>\$ 101,223,500</b>	



**ILDC Board of Directors Meetings - 2018**  
**Meeting starts at 8:45 a.m.**

**95 Perry Street**  
**4th Floor ECIDA Vista Room**  
**Buffalo, New York 14203**

Wednesday, January 24

Wednesday, February 21

Wednesday, March 21

Wednesday, April 25 (Annual Meeting)

Wednesday, May 23

Wednesday, June 27

Wednesday, July 25

Wednesday, August 22

Wednesday, September 26

Wednesday, October 24

Wednesday, November 28

Wednesday, December 19