

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

- DATE AND PLACE:** October 24, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Hon. Patrick Burke, Richard Lipsitz, Jr., Hon. Mark C. Poloncarz and Maria Whyte
- EXCUSED:** Hon. Byron W. Brown, John J. Mudie and Hon. Peter J. Savage, III
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Assistant Treasurer and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department; Christopher Andreucci, Esq. of Harris Beach PLLC as Bond Counsel

There being a quorum present at 8:52 a.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order by its Chair, Mr. Poloncarz.

MINUTES

Upon motion made by Mr. Lipsitz, and seconded by Mr. Burke, the September 26, 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. Profic reviewed the financial statements, noting 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 assets or liabilities during the month. The monthly income statement reflects minimal interest revenue, expenses of \$7,600, and offsetting special project grant income and expenses of \$1.39 million, for a net loss of \$7,600. The ILDC received \$1.3 million of the CFA Grant from ESD for the Bethlehem Steel land purchase during the month and those funds were then used to reimburse the ECIDA for its UDAG grant. This was the first reimbursement in accordance with the February 2017 grant agreement. The second half of this grant is expected to be received in 2019, although

grant revenue will be recognized before year end. The year to date income statement displays operating revenues of \$49,000, expenses of \$125,000, plus net grant income of \$80,000, for net income of \$3,600 so far in 2018. Mr. Poloncarz directed that the report be received and filed.

Budget Timetable. Ms. Profic reviewed the 2019 Budget Timetable.

Approval of 2019 Operating Budget. Ms. Profic presented the ILDC's proposed 2019 budget noting that no significant changes were made after the ILDC reviewed this draft budget last month and after completion of various staff and board member question and answer sessions. As in the past, the ILDC does not include any bond issuances in its budget projections in an effort to be conservative because bond issuances cannot be accurately predicted. Also, Ms. Profic noted the special project revenue and expenses budgeted for 2019 include \$1.3 million of reimbursement from ESD for the Bethlehem Steel land acquisition CFA grant in a total amount of \$2,780,000, which will be reimbursed to the ECIDA's UDAG fund and an additional \$200,000 of grant revenue from the ECIDA as an estimate of carrying costs related to the ILDC's ownership of the Bethlehem Steel property. In addition, there is a \$509,000 offsetting grant revenue and expense for the Bethlehem Steel master plan/GEIS project. There is a forecasted net loss of \$33,000 for 2019, subject to change based on actual revenues and expenses. Ms. Profic also reviewed the 2019 Three-year forecast, noting that land sales are contemplated in years 2020 through 2022. General discussion ensued. Upon motion made by Ms. Whyte to approve of the 2019 Budget and Three-year Forecast, and seconded by Mr. Burke, and upon a calling of the vote by Mr. Poloncarz, the ILDC's 2019 Budget and Three-year Forecast was then unanimously approved by members of the Board of Directors of the ILDC.

Buffalo Niagara Medical Campus Bond Amendment. Mr. Cappellino reviewed the proposed technical amendments for the bond issuances related to the 2010 134 High Street Buffalo Niagara Medical Campus ("BNMC") project and the 2016 BNMC project located at 854 Ellicott Street. Mr. Cappellino explained that in 2010 the ILDC issued approximately \$24 million in bonds for the construction and equipping of a 1,800 vehicle capacity parking ramp at 134 High Street and in 2016 the ILDC issued approximately \$44 million in bonds, proceeds of which were used for the demolition of an existing parking garage and the construction and equipping of a new approximately 1,800 vehicle capacity parking ramp to accommodate the needs of the Oishei Children's Medical Hospital and Jacobs School of Medical and Biomedical Sciences. Mr. Cappellino explained that both projects require certain technical amendments to the existing documents related to the 2017 Tax Cuts and Jobs Act such that with respect to the 2010 project, the formula for adjusting the interest rate on the bonds must be amended due to aforementioned changes to the Federal Tax Code. With respect to the 2016 project, the bond amortization schedule must be amended to adjust interest rate and principal payment components to be based on current market conditions.

These actions require technical amendments to the documents. Mr. Cappellino noted that attached to the Board package are two resolutions for the 2010 and 2016 projects, respectively.

Mr. Lipsitz made a motion to approve of the 2010 and 2016 amendments. Ms. Whyte seconded the motion. Mr. Poloncarz called for the vote and the following resolutions were unanimously approved:

RESOLUTION AUTHORIZING THE FIRST AMENDMENT TO THE BOND PURCHASE AGREEMENT AND BUILDING LOAN AGREEMENT RELATING TO THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAX-EXEMPT REVENUE BONDS (BUFFALO NIAGARA MEDICAL CAMPUS, INC. PROJECT), SERIES 2016A AND 2016B, AND THE EXECUTION THEREOF AND OF RELATED DOCUMENTS.

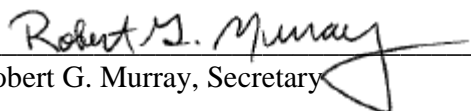
RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO THE BOND PURCHASE AGREEMENT AND BUILDING LOAN CONTRACT RELATING TO THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAX-EXEMPT REVENUE BONDS (BUFFALO NIAGARA MEDICAL CAMPUS, INC. PROJECT), SERIES 2010 AND THE EXECUTION THEREOF AND OF RELATED DOCUMENTS.

MANAGEMENT TEAM REPORT

Mr. Weathers updated members on the status of the ILDC's negotiations to acquire the Angola airport property for future agricultural park purposes noting that in November it is anticipated that the ILDC staff will be asked to ILDC board members to authorize the acquisition of the real property.

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 9:03 a.m.

Dated: October 24, 2018


Robert G. Murray, Secretary