



Buffalo and Erie County Industrial Land Development Corporation
Board of Directors Meeting
September 25, 2019
@ 1:00 p.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 28, 2019 Meeting Minutes of the Board of Directors (Action Item)
(Pages 2 – 5)

Reports / Action Items / Information Items:

- 3.1 Financial Report – (Informational) (Pages 6 - 9)
3.2 Finance & Audit Committee Update (Informational) (Page 10)
3.3 Review of 2020 Proposed Budget (Informational) (Pages 11 - 15)

4.0 Adjournment - Next Meeting October 23, 2019 at 1:00 p.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 28, 2019, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Hon. April Baskin, Hon. Howard Johnson, Richard Lipsitz, Jr., Hon. Mark C. Poloncarz and Maria Whyte
- EXCUSED:** Hon. Byron W. Brown and John J. Mudie
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; and Karen M. Fiala, Assistant Treasurer/Secretary
- GUESTS:** Robert G. Murray, General Counsel/Harris Beach PLLC; Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department

There being a quorum present at 1:17 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order by Chair Poloncarz.

MINUTES

Upon motion made by Ms. Whyte and seconded by Mr. Lipsitz, and upon a vote thereof to so approve, the June 26, 2019 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 2019 financial report. Ms. Profic noted that the balance sheet indicates the ILDC finished the month with \$10.3 million of total assets and net assets of \$6.9 million. The monthly income statement shows income of \$12,500 and expenses of \$23,600, for a net loss of \$11,000 for July. The year-to-date income statement shows total revenues of \$191,000 and total expenses of \$94,000, and net special project grants of \$103,000, for net income of \$201,000 so far in 2019. Mr. Poloncarz directed that the report be received and filed.

Finance & Audit Committee Update. Ms. Profic provided members with a brief summary of the most current Finance & Audit Committee meeting. The Committee was briefed on the 2020 budget process and reviewed the proposed budgets for the ECIDA, RDC and ILDC. The Finance & Audit Committee will meet again in September to discuss any updates and recommend proposed budgets to their respective Boards, followed by optional Board Q&A sessions in October. Any final adjustments to the proposed budgets will be reviewed in October and the Boards will take action on the budgets in October for submission to the ABO by the November 1 deadline. Mr. Poloncarz directed that the report be received and filed.

Time Release Sciences Property Acquisition & Disposition and BCP Parcel Amendment. Mr. Cappellino reviewed the actions being requested of the ILDC including the proposed acquisition of a parcel of real property (Site II-9) from Tecumseh Redevelopment Corporation, and the disposition of Site II-9 and ILDC owned Site II-10 to Time Release Sciences to permit Time Release Sciences to construct thereon its new manufacturing services facility. In addition, Mr. Cappellino described a related ILDC action requiring it to enter into the New York State Brownfield Site Cleanup Agreement with the New York State Department of Environmental Conservation affecting Site II-9.

Ms. Whyte moved and Mr. Johnson seconded to approve of the actions as described by Mr. Cappellino.

Ms. Whyte spoke in favor of the actions. Mr. Poloncarz spoke in favor of the Time Release Sciences project.

Mr. Poloncarz then 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) NEGOTIATE, EXECUTE, AND DELIVER AN AGREEMENT OF PURCHASE AND SALE TO BE ENTERED INTO WITH TECUMSEH REDEVELOPMENT INC. ("TECUMSEH") TO ACQUIRE PARCEL II-9 (AS MORE FULLY DEFINED BELOW); (ii) EXECUTE AND DELIVER A BROWNFIELD SITE CLEANUP AGREEMENT AMENDMENT WITH RESPECT TO PARCEL II-9; (iii) NEGOTIATE, EXECUTE AND DELIVER AN AGREEMENT OF PURCHASE AND SALE TO BE ENTERED INTO WITH TIME RELEASE PROPERTIES, LLC ("TRP") TO SELL PARCEL II-9 AND II-10 (AS MORE FULLY DEFINED BELOW); AND (iv) MAKE A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT

Workforce Retention Fund. Mr. Cappellino advised that the ECIDA has just authorized the funding of a Workforce Retention Fund related to the Time Release Sciences project and further authorized the ECIDA to enter into a funding agreement with the ILDC to provide up to \$500,000 of ECIDA UDAG funds for the purpose of permitting the ILDC to provide up to \$750,000 in funding to Time Release Properties and Sciences (TRS) to retain and create 153 jobs as part of the development of a new production facility to be located on the former Bethlehem Steel Site.

General discussion followed. Ms. Baskin moved and Mr. Johnson seconded to approve of the Workforce Retention Fund as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ILDC") TO ESTABLISH A WORKFORCE RETENTION FUND IN THE AMOUNT OF \$750,000 FROM CERTAIN PROCEEDS RECEIVED FROM THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY'S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT URBAN DEVELOPMENT ACTION GRANT ("UDAG") REFLOW FUND AND FROM PROCEEDS RECEIVED FROM THE SALE OF CERTAIN REAL PROPERTY, AS DESCRIBED HEREIN, TO ENCOURAGE CERTAIN JOB RETENTION AND JOB CREATION EFFORTS OF THE TIME RELEASE PROPERTIES, LLC PROJECT LOCATED AT THE BETHLEHEM STEEL SITE IN LACKAWANNA, NEW YORK

Approval of Resolution for Environment Consultant Selection Services. Mr. Cappellino reviewed the RFP process undertaken by the ECIDA/ILDC to retain environmental consulting services, and confirmed that LaBella Associates and C & S Companies were selected by the environmental consultant selection committee, consisting of ECIDA staff, Erie County Department of Environment and Planning Staff, and Mr. Robert Murray, counsel to the ILDC, as a result of the review of the various RFP responses, for their experience and expertise in providing environmental services as needed. The ILDC desires to enter into a contract, to be paid on an hourly rate for a three-year as needed basis, with LaBella Associates and C & S Companies for the provision of environmental services to the ILDC for the redevelopment of industrial sites in Erie County.

Upon motion made by Mr. Lipsitz and seconded by Ms. Whyte to enter into a contract with LaBella Associates and C & S Companies as above stated. Mr. Poloncarz then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION AUTHORIZING THE ENGAGEMENT OF CONSULTING FIRMS LABELLA ASSOCIATES AND C & S COMPANIES TO PROVIDE ENVIRONMENTAL SERVICES TO THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

Approval of Resolution to Enter into Memorandum of Understanding (MOU) with Opportunity Zone Partners. Mr. Weathers informed the Committee that the ILDC desires to enter into an Memorandum of Understanding ("MOU") with the ECIDA, the City of Buffalo Office of Strategic Planning, Invest Buffalo Niagara, Town of Amherst, City of Lackawanna, City of Tonawanda, and Town of Tonawanda to implement the Erie County Opportunity Zone Marketing Project and the ECIDA will act as facilitator for said group to design and plan group process; guide and control monthly meetings; and record and disseminate actions and outcomes.

Mr. Lipsitz moved and Ms. Whyte seconded to have the ILDC enter into the above described MOU. Mr. Poloncarz then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC") AUTHORIZING THE ILDC TO (i) ENTER INTO A CERTAIN MEMORANDUM OF UNDERSTANDING ("MOU") WITH: THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, THE CITY OF BUFFALO OFFICE OF STRATEGIC PLANNING, INVEST BUFFALO NIAGARA, TOWN OF AMHERST, CITY OF LACKAWANNA, CITY AND TOWN OF TONAWANDA, TO IMPLEMENT THE ERIE COUNTY OPPORTUNITY ZONE MARKETING PROJECT AND (ii) TAKE ALL ACTIONS REASONABLY NECESSARY TO COMPLETE THE ERIE COUNTY OPPORTUNITY ZONE MARKETING PROJECT, INCLUDING EXECUTING CONTRACTS WITH CONSULTANTS AND ANY RELATED AGREEMENTS THERETO

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 1:33 p.m.

Dated: August 28, 2019

Karen M. Fiala, Secretary

Industrial Land Development Corp.

Financial Statements

As of August 31, 2019

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

August 31, 2019

	August 2019	July 2019	December 2018
ASSETS:			
Restricted Cash *	\$ 218,357	\$ 233,664	\$ 227,963
Grants Receivable	1,963,636	3,353,636	1,670,776
Loans Receivable	14,707	15,284	19,294
Loan Interest Receivable	30	30	30
Total Loan Assets	14,737	15,314	19,324
Capital Assets	6,686,309	6,686,309	6,530,672
Total Assets	\$ 8,883,039	\$ 10,288,924	\$ 8,448,735
LIABILITIES & NET ASSETS:			
Accounts Payable	\$ -	\$ 1,390,000	\$ 1,413,748
Due to/(from) ECIDA	185,357	182,969	208,747
Other Liabilities	1,836,679	1,852,524	161,529
Total Liabilities	2,022,037	3,425,494	1,784,024
Restricted Fund Balance	6,861,003	6,863,431	6,664,711
Total Liabilities & Net Assets	\$ 8,883,039	\$ 10,288,924	\$ 8,448,735

* Loan Portfolio Summary:	August 2019	July 2019	December 2018
# of Loans	1	1	1

* 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 2019

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 25	\$ 29	\$ (4)
Interest Income - Cash & Inv.	5	1	4
Total Revenues	<u>30</u>	<u>30</u>	<u>0</u>
EXPENSES:			
Management Fee - ECIDA	\$ 2,400	\$ 2,333	67
Professional Services	-	1,917	(1,917)
Other Expenses	58	219	(161)
Total Expenses	<u>2,458</u>	<u>4,469</u>	<u>(2,011)</u>
SPECIAL PROJECT GRANTS:			
Industrial Land Park - ECIDA	-	16,667	(16,667)
Industrial Land Park costs	-	(16,667)	16,667
Other grant revenue	15,850	42,470	(26,620)
Other grant expenses	<u>(15,850)</u>	<u>(42,470)</u>	<u>26,620</u>
	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME/(LOSS):	<u>\$ (2,428)</u>	<u>\$ (4,439)</u>	<u>\$ 2,011</u>

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

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement
Year to Date: August 31, 2019

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 232	\$ 233	\$ (1)	\$ 232	\$ 325	\$ (93)
Interest Income - Cash & Inv.	11	7	5	11	5	7
Grant Income	155,000	-	155,000	155,000	-	155,000
Other Income	36,250	-	36,250	36,250	128,750	(92,500)
Total Revenues	191,494	240	191,254	191,494	129,080	62,414
EXPENSES:						
Management Fee - ECIDA	\$ 19,200	\$ 18,667	533	\$ 19,200	\$ 50,086	\$ (30,886)
Professional Services	75,971	15,333	60,638	75,971	37,726	38,246
Other Expenses	1,202	1,750	(548)	1,202	30,099	(28,897)
Total Expenses	96,373	35,750	60,623	96,373	117,911	(21,537)
SPECIAL PROJECT GRANTS:						
Industrial Land Park - ESD	1,390,000	1,390,000	-	1,390,000	-	1,390,000
Industrial Land Park - ECIDA	200,000	116,669	83,331	200,000	-	200,000
Industrial Land Park grant reimbursement	(1,390,000)	(1,390,000)	-	(1,390,000)	-	(1,390,000)
Industrial Land Park grant costs	(96,683)	(116,669)	19,986	(96,683)	-	(96,683)
Other grant revenue	104,836	297,290	(192,454)	104,836	53,509	51,327
Other grant expenses	(104,836)	(297,290)	192,454	(104,836)	(53,509)	(51,327)
	103,317	-	103,317	103,317	-	103,317
NET INCOME/(LOSS):	\$ 198,437	\$ (35,510)	\$ 233,947	\$ 198,437	\$ 11,169	\$ 187,268

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



Item 3.2

To: ECIDA, RDC, ILDC Boards of Directors
From: Michael Szukala, Chair
Date: September 25, 2019
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 16, 2019. Committee members present were Michael Szukala, Chair, Glenn Nellis, Charles Specht, Art Wingerter, and William Witzleben.

The Committee reviewed the 2020 budget process, including pertinent dates and deadlines. See the “2020 Budget Review Process” on the following page for the timeline. The Committee then reviewed the 2020 proposed operating budgets of the ECIDA, RDC and ILDC, the 2020 proposed capital budget of the ECIDA, and the three-year forecasts of ECIDA, RDC and ILDC. The Committee unanimously recommends all the 2020 proposed budgets to their respective Boards.

The Committee also discussed and approved the retention of Freed Maxick as independent auditors for ECIDA, RDC and ILDC for the 2019 year end financial statement audits. The Committee plans to meet next in October to discuss the upcoming audits with Freed Maxick.

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

2020 Budget Review Process

<u>Date</u>	<u>Description</u>	
July-August	Review of proposed 2020 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
August 22 nd	Finance & Audit Committee meeting – initial review of proposed budgets.	✓
September 16 th	Finance & Audit Committee meeting to discuss any updates/recommend proposed budgets to Boards.	✓
September 25 th	Formal review of 2020 proposed budgets at Board meetings.	
October 2 nd 9:00 a.m.	Board Q&A budget session #1 (voluntary).	
October 9 th 2:00 p.m.	Board Q&A budget session #2 (voluntary).	
October	Adjustments to budget based on Board feedback and Finance & Audit Committee approval of final budgets (<i>if necessary</i>).	
October 23 rd	Board meeting – action to approve final 2020 budgets.	
November 1 st	Deadline for final approved budget to be submitted to the ABO.	

Industrial Land Development Corp
2020 Proposed Budget

Industrial Land Development Corporation (ILDC)

2020 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 2020 Budget:

The following summarizes the key changes between the 2020 budget and the projected 2019 results:

- In 2019, the ILDC received \$155,000 of grant income toward the purchase of land for the Angola Ag Park. No such revenue is expected in 2020.
- The ECIDA Management Fee represents a fee charged by the ECIDA for services that its employees provide, since ILDC has no employees of its own. The fee is expected to increase by approximately \$29,000 or double in 2020 due to anticipated increases in time spent on ILDC projects by ECIDA staff.
- Professional services consist of legal, consulting, and auditing costs, and are expected to decrease by about \$77,000 or 59% in 2020. This is due to the land acquisition (legal) and environmental consulting costs incurred in 2019 that are not anticipated to continue at the same rate in 2020.
- The Special Projects section of the budget relates to grants for the Bethlehem Steel property purchase and carrying costs, along with a grant related to the Angola Ag Park carrying costs. ILDC expects to recognize \$1.75 million in 2020 to offset the cost of purchasing additional land at the former Bethlehem Steel site, which will be reimbursed to ECIDA when received. A total of \$300,000 is budgeted to be used in 2020 for carrying costs related to the two properties, which will be granted by ECIDA’s UDAG fund. Other grant revenue relates to the creation of an Opportunity Zone guide.

B. Summary of Risk Factors impacting the 2020 Budget:

The following significant risk factors may influence the 2020 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 2020 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 2020

	Proposed Budget 2020	Approved Budget 2019	Projected 2019	Actual 2018
REVENUES:				
Interest Income - Loans	\$ 230	\$ 350	\$ 354	\$ 450
Interest Income - Cash & Investments	10	10	12	13
Grant Income	-	-	155,000	-
Proceeds from Land Sales	250,000	-	250,000	-
Other Income	-	-	36,250	82,985
Total Revenues	250,240	360	441,616	83,448
EXPENSES:				
ECIDA Management Fee*	\$ 58,000	\$ 28,000	28,800	\$ 159,717
Professional Services	53,100	23,000	130,237	82,021
General Office Expenses	600	-	-	515
Other Expenses	875	2,625	1,961	31,535
Total Expenses	112,575	53,625	160,998	273,788
SPECIAL PROJECTS:				
Industrial Land Park - ESD grant	1,755,000	1,390,000	-	2,780,000
Industrial Land Park - ECIDA grant	200,000	200,000	200,000	120,000
Industrial Land Park grant reimbursement	(1,755,000)	(1,390,000)	-	(2,780,000)
Industrial Land Park grant costs	(200,000)	(200,000)	(200,000)	-
Angola Ag Park - ECIDA grant	100,000	-	900,000	-
Angola Ag Park grant costs	(100,000)	-	(900,000)	-
Other grant revenue	25,000	509,657	161,492	231,008
Other grant expenses	(25,000)	(509,657)	(161,492)	(231,008)
	-	-	-	120,000
NET INCOME/(LOSS):	\$ 137,665	\$ (53,265)	\$ 280,618	\$ (70,340)

* 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 2021-2023

	Proposed Budget 2020	Forecast 2021	Forecast 2022	Forecast 2023
REVENUES:				
Interest Income - Loans	\$ 230	\$ 170	\$ 101	\$ 45
Interest Income - Cash & Investments	10	25	25	25
Grant Income	-	-	-	-
Proceeds from Land Sales	250,000	250,000	250,000	200,000
Other Income	-	-	-	-
Total Revenues	250,240	250,195	250,126	200,070
EXPENSES:				
ECIDA Management Fee*	\$ 58,000	\$ 30,000	\$ 30,000	\$ 30,000
Professional Services	53,100	3,600	3,800	3,900
General Office Expenses	600	-	-	-
Other Expenses	875	2,500	4,000	5,000
Total Expenses	112,575	36,100	37,800	38,900
SPECIAL PROJECTS:				
Industrial Land Park - ESD grant	1,755,000	-	-	-
Industrial Land Park - ECIDA grant	200,000	200,000	200,000	-
Industrial Land Park grant reimbursement	(1,755,000)	-	-	-
Industrial Land Park costs	(200,000)	(200,000)	(200,000)	-
Angola Ag Park - ECIDA grant	100,000	100,000	100,000	-
Angola Ag Park grant costs	(100,000)	(100,000)	(100,000)	-
Other grant revenue	25,000	-	-	-
Other grant expenses	(25,000)	-	-	-
	-	-	-	-
NET INCOME/(LOSS):	\$ 137,665	\$ 214,095	\$ 212,326	\$ 161,170

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