



**Buffalo and Erie County Industrial Land Development Corporation
Board of Directors Meeting**

**September 25, 2024
At 12:30 p.m.**

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

1.0 Call to Order

2.0 Approval of Minutes

2.1 Approval of the June 26, 2024 Minutes of the Board of Directors (Action Item) (Pages 2-3)

3.0 Reports / Action Items / Information Items:

3.1 Financial Report (Informational) (Pages 4-7)

3.2 Finance & Audit Committee Update (Informational) (Page 8)

a) 2025 Budget Timetable (Informational) (Page 9)

b) Review of 2025 Proposed Budget (Informational) (Pages 10-13)

3.3 Loan Status Report (Informational) (Page 14)

4.0 Management Team Reports:

4.1 2025 Board Meeting Schedule (Informational) (Page 15)

4.2 MN8 Long-Term Lease at 3445 River Road

4.3 Renaissance Commerce Park Parcel 4a Update (Informational) (Page 16)

5.0 Adjournment- Next - Meeting October 23, 2024

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

DATE AND PLACE: June 26, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Daniel Castle, Hon. Howard Johnson, Richard Lipsitz, Jr. and Hon. Mark C. Poloncarz

EXCUSED: Denise Abbott, Hon. April Baskin and Hon. Byron Brown

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O’Keefe, Vice President of Operations; Jerry Manhard, Chief Lending Officer; Atiqa Abidi, Accounting Manager; Grant Lesswing, Director of Business Development; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager, Brian Krygier, Director of Information Technology; Andrew Federick, Property and Business Development Officer; Robbie Ann McPherson, Director of Marketing & Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Zachary Evans on behalf of Erie County and Mo Sumbundu on behalf of Empire State Development

There being a quorum present at 12:58 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order by Mr. Poloncarz.

MINUTES

Mr. Lipsitz moved, and Mr. Johnson seconded to approve of the May 29, 2024 minutes. Mr. Poloncarz called for the vote and the minutes were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the May financial reports. The balance sheet shows ILDC ended May with total assets of \$15.4M. Restricted cash decreased due to the repayment from the Microloan fund to ECIDA for administrative services. The sum of \$388,000 was borrowed from ECIDA's UDAG fund for contractor payments pending grant reimbursement, which increased due to ECIDA liability. Net assets total \$7.6M. The May income statement includes \$1,900 of operating revenue, \$2,000 of expenses and \$1,000 of net special project expenses. Factoring in non-operating income, there was a net loss of \$1,038 in May. The year-to-date income statement shows operating revenues of \$37,000 and operating expenses of \$17,000. Net special project grant revenue of \$17,000 and \$750 of non-operating revenue leads to net income of \$37,166 so far in 2024. Mr. Poloncarz directed that the report be received and filed.

Loan Status Report. Mr. Manhard provided the report to Board members. Mr. Poloncarz directed that the report be received and filed.

Approval to Accept the Agribusiness Park FGEIS Findings Document. Mr. Federick reviewed the FGEIS findings document.

Mr. Lipsitz moved and Mr. Castle seconded to approve the Agribusiness Park FGEIS Findings Document as proposed. 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 ADOPTING A SEQRA FINDINGS
STATEMENT FOR THE MASTER PLAN OF A PROPOSED AGRI-
BUSINESS PARK TO BE LOCATED IN THE TOWN OF EVANS, COUNTY
OF ERIE

MANAGEMENT TEAM REPORTS

Mr. Cappellino informed members that the construction of the Renaissance Commerce Park sewer line and waterline is now complete and functioning. He also informed members that the ILDC has entered into a purchase and sale agreement with Sucro Sourcing.

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 1:05 p.m.

Dated: June 26, 2024

Elizabeth A. O'Keefe, Secretary

Industrial Land Development Corp.

Financial Statements

As of August 31, 2024

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

August 31, 2024

	August 2024	July 2024	December 2023
ASSETS:			
Restricted Cash *	\$ 3,346,073	\$ 3,339,017	\$ 407,345
Grants Receivable	3,913,558	3,913,558	9,191,178
Loans Receivable, net	452,884	463,490	495,740
Prepaid Expenses	1,596	1,996	-
Prepaid Acquisition Costs	701,579	700,741	697,929
Total Loan Assets	<u>8,415,691</u>	<u>8,418,802</u>	<u>10,792,192</u>
Capital Assets	6,358,672	6,357,577	6,356,268
Total Assets	<u>\$ 14,774,362</u>	<u>\$ 14,776,378</u>	<u>\$ 17,148,460</u>
LIABILITIES & NET ASSETS:			
Accounts Payable	\$ 2,466	\$ 1,233	\$ 879,715
Due to/(from) ECIDA	3,481,231	3,472,519	4,519,375
Other Liabilities	3,683,595	3,690,248	4,163,816
Total Liabilities	<u>7,167,292</u>	<u>7,163,999</u>	<u>9,562,905</u>
Restricted Fund Balance	7,607,070	7,612,379	7,585,555
Total Liabilities & Net Assets	<u>\$ 14,774,362</u>	<u>\$ 14,776,378</u>	<u>\$ 17,148,460</u>

Loan Portfolio Summary:	August 2024	July 2024	December 2023
# of Loans	<u>41</u>	<u>41</u>	<u>40</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 2024

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 1,714	\$ 1,417	\$ 297
Grant Income - Microloan Program	-	13,667	(13,667)
Proceeds from (Cost of) Land Sales	-	(20,798)	20,798
Total Revenues	338,726	(5,714)	344,441
EXPENSES:			
Management Fee - ECIDA	\$ 339,013	\$ 2,000	\$ 337,013
Professional Services	1,915	5,600	(3,685)
General Office Expenses	-	417	(417)
Other Expenses	-	840	(840)
Total Expenses	340,928	8,856	332,072
SPECIAL PROJECT GRANTS:			
Industrial Land Park - ESD	-	241,554	(241,554)
Industrial Land Park - EDA	-	132,540	(132,540)
Industrial Land Park - ECIDA	-	8,333	(8,333)
Angola Ag Park - ECIDA Grant	-	4,167	(4,167)
Other grant revenue	6,713	22,564	(15,851)
Industrial Land Park grant reimbursement	-	(25,000)	25,000
Industrial Land Park costs	(2,993)	(382,427)	379,434
Angola Ag Park costs	(243)	(4,167)	3,924
Other grant expenses	(6,713)	(22,564)	15,851
Total Special Project Grants	(3,236)	(25,000)	21,764
NET OPERATING INCOME/(LOSS):	(5,438)	(39,571)	34,133
NONOPERATING REVENUE:			
Interest Income	128	167	(38)
Total Nonoperating Revenue	128	167	(38)
NET INCOME/(LOSS):	\$ (5,309)	\$ (39,404)	\$ 34,095

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2024 budget.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement

Year to Date: August 31, 2024

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 13,315	\$ 11,333	\$ 1,981	\$ 13,315	\$ 13,895	\$ (580)
Grant Income - Microloan Program	28,555	109,333	(80,778)	28,555	129,000	(100,445)
Proceeds from (Cost of) Land Sales	-	(166,382)	166,382	-	-	-
Other Income	337,017	-	337,017	337,017	11,200	325,817
Total Revenues	378,886	(45,716)	424,602	378,886	154,095	224,792
EXPENSES:						
Management Fee - ECIDA	\$ 353,013	\$ 16,000	337,013	\$ 353,013	\$ 51,600	\$ 301,413
Provision for Loan Losses	-	52,500	(52,500)	-	-	-
Professional Services	11,430	44,800	(33,370)	11,430	4,106	7,324
General Office Expenses	422	3,333	(2,911)	422	(0)	422
Other Expenses	195	6,717	(6,522)	195	(740)	935
Total Expenses	365,060	123,350	241,710	365,060	54,966	310,094
SPECIAL PROJECT GRANTS:						
Industrial Land Park - ESD	402,569	1,932,431	(1,529,862)	402,569	1,296,730	(894,161)
Industrial Land Park - EDA	32,267	1,060,322	(1,028,056)	32,267	785,034	(752,768)
Industrial Land Park - ECIDA	98,064	66,667	31,398	98,064	180,651	(82,587)
Angola Ag Park - ECIDA Grant	12,545	33,333	(20,788)	12,545	29,680	(17,135)
Other grant revenue	45,022	180,509	(135,487)	45,022	155,508	(110,486)
Industrial Land Park grant reimbursement	-	(200,000)	200,000	-	-	-
Industrial Land Park costs	(526,303)	(3,059,420)	2,533,116	(526,303)	(2,166,599)	1,640,296
Angola Ag Park costs	(12,613)	(33,333)	20,720	(12,613)	(12,664)	51
Other grant expenses	(45,022)	(180,509)	135,487	(45,022)	(5,648)	(39,374)
Total Special Project Grants	6,529	(200,000)	206,529	6,529	262,692	(256,164)
NET OPERATING INCOME/(LOSS):	20,355	(369,066)	389,421	20,355	361,821	(341,466)
NONOPERATING REVENUE:						
Interest Income	1,160	1,333	(173)	1,160	2,690	(1,530)
Total Nonoperating Revenue	1,160	1,333	(173)	1,160	2,690	(1,530)
NET INCOME/(LOSS):	\$ 21,515	\$ (367,732)	\$ 389,248	\$ 21,515	\$ 364,510	\$ (342,995)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2024 budget.



To: ECIDA, RDC & ILDC Boards of Directors
From: Michael Szukala, Chair
Date: September 25, 2024
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 17, 2024. Committee members present were: Michael Szukala, Chair, Patrick Boyle, Allison DeHoney, Thomas Emmerling, Glenn Nellis, and Brian Nowak. The following items were reviewed:

- 1) Draft 2025 ECIDA Operating & Capital Budget + 3 Year Forecast
The Committee reviewed this item and recommended it for approval by the ECIDA Board of Directors.
- 2) Draft 2025 RDC Operating Budget + 3 Year Forecast
The Committee reviewed this item and recommended it for approval by the RDC Board of Directors.
- 3) Draft 2025 ILDC Operating Budget + 3 Year Forecast
The Committee reviewed this item and recommended it for approval by the ILDC Board of Directors.
- 4) The Committee discussed the overall budget process and economic factors that impact each entity’s budget. They also reviewed the 2025 budget timeline.

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

2025 Budget Process

<u>Date</u>	<u>Description</u>	
July-August	Review of draft 2025 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
August 20	Finance & Audit Committee meeting – initial review and discussion of proposed budgets.	✓
September 17	Finance & Audit Committee meeting to discuss any updates/recommend proposed budgets to Boards.	✓
September 25	Review of 2025 proposed budgets at Board meetings.	
October 3 10:30 a.m.	Board Q&A budget session #1 <u>in person</u> (voluntary).	
October 8 10:00 a.m.	Board Q&A budget session #2 <u>via zoom</u> (voluntary).	
October	Adjustments to budget based on Board feedback and Finance & Audit Committee recommendation of final budgets (<i>if necessary</i>).	
October 23	Board meetings – action to approve final 2025 budgets.	
November 1	Deadline for final approved budgets to be submitted to the ABO.	

**Buffalo & Erie County
Industrial Land Development Corp
Proposed 2025 Budget**

Industrial Land Development Corporation (ILDC)

2025 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 microloan 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 2025 Budget:

A summary of the key changes between the 2025 budget and the projected 2024 results:

- The Erie County BDF microloan fund is a loan/grant program. New loans are funded with grant income from Erie County passed through the ECIDA. The forgivable portion of the loan/grant is added to the provision for loan losses in the year of closing.
- Grant funding for ILDC operations is budgeted for 2025, and would be used for carrying costs associated with ILDC-owned properties and ECIDA staff time.
- The ECIDA Management Fee represents fees charged by ECIDA for services that its employees provide related to projects related to ILDC-owned properties and the Erie County BDF microloan fund. This is expected to increase in 2025 due to operational grant funds.
- Professional services consist of legal, consulting, and auditing costs, and are budgeted to increase by about \$10,000 in 2025. This is due to the legal costs associated with land owned and environmental consulting costs anticipated in 2025.
- The Special Projects section of the budget relates to grants. ILDC expects to recognize \$1.6 million of grant revenue from Empire State Development in 2025 related to infrastructure and engineering work at Renaissance Commerce Park. A total of \$125,000 is budgeted to be used in 2025 for carrying costs related to owned properties, which will be granted by ECIDA’s UDAG fund if operational grant funds received are fully utilized. Other grant revenue consists of \$256,000 for infrastructure at the ILDC’s Evans property.
- There is no land sale revenue or cost of land sales budgeted for 2025, although that is subject to change. A request for proposals for land acquisition and development was issued in 2024, however no contracts or agreements were in place as of the time this budget was prepared.

B. Summary of Risk Factors impacting the 2025 Budget:

The following significant risk factors may influence the 2025 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 2025 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 2025

	Proposed Budget 2025	Approved Budget 2024	Projected 2024	Actual 2023
REVENUES:				
Interest Income - Loans	\$ 19,000	\$ 17,000	\$ 19,972	\$ 20,025
Grant Income	234,000	164,000	28,555	129,000
Operational Grant	250,000	-	-	-
Proceeds from Land Sales	-	600,000	548,900	-
Less: Cost of Land Sales	-	(849,574)	(423,900)	-
Other Income	23,667	-	344,017	11,200
Interest Income - Cash & Investments	2,000	2,000	1,740	3,695
Total Revenues	528,667	(66,574)	519,283	163,920
EXPENSES:				
ECIDA Management Fee*	174,000	24,000	361,013	(31,547)
Provision for Loan Losses	105,000	105,000	105,000	189,048
Professional Services	45,400	67,200	37,558	7,711
Development & Marketing Expenses	5,000	5,000	650	-
Other Expenses	7,375	10,075	1,580	(1,044)
Total Expenses	336,775	211,275	505,800	164,168
SPECIAL PROJECTS:				
Renaissance Commerce Park - ESD Grant	1,662,058	2,898,646	1,500,000	3,605,234
Renaissance Commerce Park - EDA Grant	-	1,590,483	32,267	2,558,217
Renaissance Commerce Park - ECIDA Grant	100,000	100,000	118,064	180,651
Angola Ag Park - ECIDA Grant	25,000	50,000	12,545	29,680
Other grant revenue	255,896	270,763	182,978	245,174
Renaissance Commerce Park grant reimb.	-	(300,000)	(274,450)	-
Renaissance Commerce Park grant costs	(1,762,058)	(4,589,130)	(1,607,669)	(6,263,520)
Angola Ag Park grant costs	(25,000)	(50,000)	(12,613)	(21,711)
Other grant expenses	(355,896)	(270,763)	(182,978)	(95,314)
Total Special Projects	(100,000)	(300,000)	(231,857)	238,411
NET INCOME/(LOSS) BEFORE DEPRECIATION:	\$ 91,892	\$ (577,849)	\$ (218,374)	\$ 238,164
Depreciation	4,500	4,500	4,500	2,267
NET INCOME/(LOSS):	\$ 87,392	\$ (582,349)	\$ (222,874)	\$ 235,897

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

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Proposed Budget and Three Year Forecast 2026-2028

	Proposed Budget 2025	Forecast 2026	Forecast 2027	Forecast 2028
REVENUES:				
Interest Income - Loans	\$ 19,000	\$ 19,000	\$ 19,950	\$ 18,953
Grant Income	234,000	-	-	-
Operational Grant	250,000	250,000	250,000	250,000
Proceeds from Land Sales	-	300,000	300,000	300,000
Less: Cost of Land Sales	-	(200,000)	(200,000)	(200,000)
Other Income	23,667	-	-	-
Interest Income - Cash & Investments	2,000	500	500	500
Total Revenues	528,667	369,500	370,450	369,453
EXPENSES:				
ECIDA Management Fee*	174,000	-	-	-
Provision for Loan Losses	105,000	-	-	-
Professional Services	45,400	50,000	50,000	50,000
Development & Marketing Expenses	5,000	5,000	5,000	5,000
Other Expenses	7,375	2,500	4,000	5,000
Total Expenses	336,775	57,500	59,000	60,000
SPECIAL PROJECTS:				
Renaissance Commerce Park - ESD Grant	1,662,058	530,000	-	-
Renaissance Commerce Park - EDA Grant	-	-	-	-
Renaissance Commerce Park - ECIDA Grant	100,000	-	-	-
Angola Ag Park - ECIDA Grant	25,000	-	-	-
Other grant revenue	255,896	-	-	-
Renaissance Commerce Park grant reimb.	-	(150,000)	(150,000)	(150,000)
Renaissance Commerce Park grant costs	(1,762,058)	(530,000)	-	-
Angola Ag Park grant costs	(25,000)	-	-	-
Other grant expenses	(355,896)	-	-	-
Total Special Projects	(100,000)	(150,000)	(150,000)	(150,000)
NET INCOME/(LOSS) BEFORE DEPRECIATION:	\$ 91,892	\$ 162,000	\$ 161,450	\$ 159,453
Depreciation	4,500	4,500	4,500	4,500
NET INCOME/(LOSS):	\$ 87,392	\$ 157,500	\$ 156,950	\$ 154,953

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



Loan Status Report September 2024

<u>ILDC Loans Approved Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
None		
<u>ILDC Loans Closed Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
None		
<u>Loans in Closing Process</u>	<u>Municipality</u>	<u>Amount</u>
None		
<u>Loans in the Pipeline</u>	<u>Municipality</u>	<u>Amount</u>
Full House Home Renovations	Grand Island	\$35,000

<u>2024 - Loans Closed</u>	<u>YTD Loan Total</u>	<u>Jobs to be Created</u>	<u>Retained Jobs</u>
1	\$35,000	1	1

Loan Portfolio Performance

Past Due Loans:

<u>Loan</u>	<u>Outstanding Balance</u>	<u>Amount Past Due</u>	<u>Days Past Due</u>	<u>Comments</u>
Kevin Thie d/b/a Buffalo Firewood	\$34,723	\$1,679	180+	Borrower filed Chapter 7 bankruptcy. Attorney's monitoring bankruptcy
Wild Discs, LLC	\$32,082	\$1,344	150+	Borrower never attended Bankruptcy hearing. Filing judgment against borrower – Attorney monitoring.

Portfolio Delinquency Rate (Past Due Outstanding Loan Balance *divided by* Portfolio Balance):

\$66,805 / \$1,119,684 = 5.90% Delinquency Rate (41 Loans)

ILDC Funds Available to Lend: \$129,643



**ILDC Board of Directors Monthly Meeting Schedule - 2025
4th Wednesday of the Month except for November & December
at 12:30 p.m.**

January 22

February 26

March 26

April 23 (Annual Meeting)

May 28

June 25

July 23

August 27

September 24

October 22

November 19

December 17



September 5, 2024

Mr. John Cappellino
President & CEO - ILDC
95 Perry Street, Suite 403
Buffalo, NY 14203

Re: Acquisition of Parcel 4a of the Renaissance Commerce Park
Termination of Letter of Intent dated February 23, 2023


Dear Mr. Cappellino:

This letter is delivered in connection with the Letter of Intent dated February 23, 2023 between Buffalo and Erie County Industrial Land Development Corporation (ILDC) (as "**Seller**"), and Uniland Development Company, or an affiliated entity, (as "**Buyer**"), with respect to Parcel 4a (aka Parcel II-12) of the Renaissance Commerce Park, Lackawanna, New York (the "**Property**") (the "**LOI**").

While it is the mutual intent of the parties engage in future negotiations for a potential contract between Buyer and Seller for Parcel 4a, Buyer has determined that it is no longer able to build a "spec" building or buildings on the Property site without having first secured a prospective tenant/user for the Property. The current economic environment and market conditions have factored into this decision.

Given the above circumstances, the parties acknowledge and agree that the LOI is hereby terminated. Uniland maintains its interest in working cooperatively with ILDC to negotiate a contract in the event a suitable tenant is identified, thereby permitting Uniland to proceed with the development of a Project.

BUYER

By: 
Michael J. Montante
Uniland Development Company, for itself
and on behalf of its affiliates or an entity to
be formed

MJM/dae