

**NARRATIVE SUPPLEMENT TO THE AMHERST IDA APPLICATION FOR THE
PROPOSED MAPLE ROAD SENIOR HOUSING PROJECT
LOCATION OF PROJECT SITE: 1765, 1785 AND 1805 MAPLE ROAD
APPLICANT: MEL INVESTORS, LLC**

I. PROJECT DESCRIPTION:

The proposed Maple Road Senior Apartments shall entail the construction of a single, three-story, wood frame, fully sprinklered apartment building designed specifically for senior citizens 60 years of age or greater that are capable of living independently. The building will be located at 1765-1805 Maple Road and will consist of a mixture of one and two bedroom apartments totaling 99 units. The interior corridors within the building connect all the exits, apartments and community facilities. Residents of the senior apartment building may travel to any room or apartment within the building without having to go outdoors.

The location of the site at the intersection of Maple Road and Ayer Road in close proximity to Millard Fillmore Suburban Hospital, medical offices and the many businesses and service provides in the nearby vicinity make the site an excellent location for the proposed senior housing project.

The single building design allows the building to become a community. Residents experience increased socialization opportunities and typically quickly form new friendships and often end up taking care of each other and accompanying one another on trips to the grocery store, doctor, pharmacy and other routine errands as well as social events.

The senior apartment building will be fully handicap accessible and all units will be handicap adaptable. Each of the senior apartments will be equipped with a refrigerator, stove, microwave and dishwasher. The senior building will also feature a community room, library

with computer access, family room, exercise room, a beauty parlor, lounges, laundry facilities (two at each floor), staff offices and an elevator. As part of the construction of the apartment building, off street parking spaces and other required site improvements shall be implemented on the property in accordance with the various required approvals and permits including the site plan, building permit, etc.

Construction of the senior apartment building shall commence upon receipt of the necessary approvals and permits and will be completed in approximately twelve months from the date construction begins.

II. THE PROJECT QUALIFIES FOR AMHERST IDA BENEFITS PURSUANT TO THE COUNTYWIDE INDUSTRIAL DEVELOPMENT AGENCY UNIFORM TAX EXEMPTION POLICY

This proposed senior housing project is clearly eligible for Amherst IDA benefits pursuant to the under the Countywide Industrial Development Agency Uniform Tax Exemption Policy ("Countywide Policy") adopted on December 12, 2001 and amended on January 1, 2010. Part 1 of the Countywide Policy establishes the list of permissible business activities that are qualified project and Section IE(ii) expressly states that "Long-Term Care Facilities" are qualified including "for-profit facilities including elderly housing, nursing homes, adult homes and assisted and/or assistive living centers."

The proposed senior housing project is also consistent with the stated purpose of Industrial Development Agencies ("IDA") in Erie County as set forth on the 1st page of the Countywide Policy stating,

"The purpose of IDAs in Erie County is to promote economic development, prevent economic deterioration, and advance job opportunities and the general prosperity and economic welfare of the people of Erie County through the creation or retention of jobs and the expansion and diversification of the County's tax base. To do this, the IDAs of Erie County encourage the construction, acquisition, retention and/or expansion of certain projects, as specifically identified below, and as authorized under Article 18-A of the New York General Municipal Law, by providing for the claiming of real property tax abatements and

exemption from sales, use, and mortgage recording tax (collectively, “IDA Incentives”). The IDAs in Erie County have adopted this Uniform Tax Exemption Policy (the “Policy” and/or “Countywide Policy”) to provide for uniform policies for the claiming of IDA Incentives.”

There is a demonstrable need for affordable housing for senior citizens in the Town of Amherst, Erie County and throughout New York State and the proposed senior housing project will advance of the general prosperity and economic welfare of the County’s senior residents in need of high quality and affordable senior housing. According to the 2010 census, there are 29,296 people 60 years of age or greater who reside in the Town of Amherst. The 2010 census also indicates there are 21,820 people 65 years of age or greater in the Town of Amherst; 16,498 people 70 years of age or greater; and 12,366 people 75 years of age or greater. Even if the proposed senior apartment community’s residency was limited to residents of the Town of Amherst who over 75 years old, the Maple Road Senior Apartments would only need to capture less than 1% of the population to attain 100% occupancy.

A lack of affordable housing units for senior citizens within the Town may ultimately force elderly persons to seek affordable housing in other Villages, Towns, Counties or states. Our target market is a senior citizen 60 years of age or greater who earns approximately 60-90% of the area median income. This segment of the senior population is largely unserved.

There are subsidized housing opportunities for senior citizens, such as apartments financed through HUD’s Section 202 program, for senior’s whose income is at or below 50% of the area median. There are also projects financed through the New York State Low Income Housing Tax Credit (NYSLIHTC) program that provide affordable housing opportunities for seniors earning less than 60% of the area median income. The seniors who will be the future residents of the proposed senior housing project are not eligible to live in the buildings financed through HUD or the NYSLIHTC program because of eligibility restrictions based on income.

Additionally, seniors in the target market for the proposed senior housing project cannot afford assisted living facilities since the rents for these facilities are typically \$2,000 to \$4,000 a month.

III. THE PROPOSED SENIOR HOUSING PROJECT IS CONSISTENT WITH THE ADOPTED BICENTENNIAL COMPREHENSIVE PLAN

The proposed senior housing project is consistent with the Town's adopted Bicentennial Comprehensive Plan ("Comprehensive Plan"). The Comprehensive Plan recognizes the need for diverse housing choices and the proposed attached senior housing units will satisfy the demand for new senior housing in the Town which has resulted from changing demographics. It is also important to mention that the Comprehensive Plan recognizes the benefits of "infill development" as opposed to "greenfield development" and the proposed senior housing project is an infill development involving a site that is already serviced by necessary infrastructure including public roadways, sanitary sewer and water infrastructure, etc. The Amherst IDA has repeatedly recognized the importance of the Town's adopted Comprehensive Plan in connection with its review of proposed projects. The proposed senior housing project is consistent with important goals, objectives and policies in the adopted Comprehensive Plan including:

- The Comprehensive Plan recognizes need for senior housing in Town of Amherst.
- Section 3-3-1 - Land Use and Development Policies – Location criteria for higher density housing including housing for the elderly include high access corridors served by public transportation, areas near commercial centers and community facilities. This section of the Comprehensive Plan recognizes that senior housing is growing form of residence that needs to be accommodated.
- Section 8.2 – Objective - "Decent and affordable housing choices available to all residents"
- Section 8-2 – Policy ("Affordable Housing") – "Ensuring that affordable housing is available to all residents is a priority of the Town of Amherst. Due to the large number of residents who pay high housing costs relative to their income levels, the Town should support all initiatives that increase affordable housing."
- Section 8-2 – Policy ("Promote development of a variety of housing types") – "Demographic trends will reinforce need the need for a more diverse housing stock to accommodate groups such as the elderly, empty nesters and students."

- Reduction of open consumption of open space through more compact development patterns [encouraging Infill Development].

In connection with its decision to amend the zoning classification of the Project Site to MFR-7 in December of 2012, the Town Board adopted a finding that the use of the site for attached senior housing is consistent with the Town's adopted Comprehensive Plan. The Town Board also completed an environmental review of the proposed project that resulted in its issuance of a negative declaration pursuant to the State Environmental Quality Review Act ("SEQRA").

IV. NECESSITY OF IDA BENEFITS

The Applicant is seeking a sales tax exemption on the purchase of construction materials and the furniture, fixtures and equipment associated with the project. Additionally, the Applicant is seeking exemption from mortgage recording tax and a Payment In Lieu of Tax Agreement ("PILOT"). Without these benefits, the rents at the senior housing project would increase by a minimum of approximately two hundred dollars per unit and the project would not be economically viable.

The PILOT agreement would provide property tax abatement for a period of seven years. Upon the expiration of the PILOT term, the senior housing project will be fully taxed from this point forward. The special district taxes shall not be applicable to the PILOT. Since the senior housing project will be occupied by senior citizens, it will not generate additional demand for educational services provided by the Williamsville School District.

The project shall provide approximately 52 construction jobs and three and a half permanent jobs upon completion of the construction.

In the absence of Amherst IDA approval, the proposed senior housing project will not proceed since it would not be economically viable. The Town of Amherst and Erie County's

large senior population of eligible future residents would lose the significant benefits that will result from 99 new affordable and safe housing units designed specifically to fulfill the needs of senior citizens. Additionally, the Town of Amherst, Erie County and Williamsville School District would lose the benefits accruing from the additional tax revenues that will be generated by the proposed senior housing project.

V. POSITIVE FISCAL IMPACTS

The construction of the proposed senior housing building would result in a tax revenue increase of several multiples even when factoring the proposed PILOT agreement. In its first year of operation when the amount of real estate tax the project generates is at its lowest level, the project will generate more than three times the amount of real estate taxes generated currently by the site. Over the term of the PILOT agreement, the senior housing project will generate over five times the real estate tax revenue currently generated and over a ten year period the property will generate more than ten times the tax revenue currently generated. Further, seniors may sell their existing homes to move into the senior housing units and are likely sell their homes to a younger residents, thus removing the homes eligibility for enhanced star or other tax reduction programs designed to assist elderly homeowners.

Two similar apartment communities for senior citizens capable of living independently have recently received inducement by unanimous votes of the Amherst IDA Board of Directors. One of the senior housing projects was approved on November 19, 2010 and the second was approved on September 16, 2011. The minutes of the Amherst IDA meetings at which each project was unanimously approved by the Board of Directors are attached as Exhibits “A” and “B”.

VI. CONCLUSION

The proposed senior housing project will serve a largely unmet need in the Town of Amherst and Erie County through the provision of a quality housing opportunity for senior citizens that is new, safe, affordable, specifically designed for senior citizens and professionally managed.

The Applicant respectfully requests that the IDA Board of Directors approve the application for the proposed senior housing project that is qualifies pursuant to the Countywide Policy. Thank you in advance to the Board of Directors and IDA staff for considering the Application and supporting documentation during the upcoming meeting on March 22nd.

**EXHIBIT A – MINUTES OF THE MEETING
OF THE TOWN OF AMHERST INDUSTRIAL
DEVELOPMENT AGENCY HELD ON
NOVEMBER 19, 2010**

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 431st Meeting
November 19, 2010 – 8:30 am
Agency Offices, 4287 Main Street

The meeting of the above captioned Corporation was called to order by Vice Chairman Randall A. Clark.

PRESENT:	Randall Clark John DeLuca Ayesha Nariman Stuart Shapiro Aaron Stanley James Allen, Executive Director Nathan Neill, Esq. Steven Sanders, Town Board Liaison
EXCUSED:	Fredrick A. Vilonen Robert M. Ciesielski
GUESTS:	AIDA Staff David Robinson, Buffalo News Jim Fink, Business First Dave Tytka, Uniland Development Dave Winter, TP Woodside Lynette Nisbett, Prometheus Books Steve Kurtz, Prometheus Books Sean Hopkins, Esq. David Chiazza, Iskalo Development Matt Roland, Iskalo Development

Vice Chairman Clark reminded everyone that the meeting was being tape-recorded.

MINUTES

The minutes of the October 2010 meeting were approved as presented.

BILLS & COMMUNICATIONS

Executive Allen informed the board that the Agency will no longer be allowed to purchase its health insurance through the Town of Amherst but instead is working with the Amherst Chamber of Commerce to secure coverage.

TREASURER'S REPORT

The Treasurer's Report for October 2010 was approved as presented

PUBLIC COMMENT

There was no Public Comment at this meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Allen informed the board that there was a very good turnout for the speaking engagement of David Rouse. Mr. Rouse was retained by the Agency and the TOA Planning Dept to discuss trends in planning as they relate to redevelopment.

Mr. Allen also told the board that the ICIB is in the process of revising the maps for the Enhancement Areas within the Town of Amherst.

Mr. Allen reported that he attended a Town Board work session and spoke about the reasons the IDA was recreated, which in part is to implement the Master Plan for the Town along with job creation.

UNFINISHED BUSINESS

There was no Unfinished Business at this meeting.

NEW BUSINESS

I. AUTHORIZATION RESOLUTION

APPLICANT

Waldex Holdings, LLC
c/o Schunk, Wilson & Co
3980 Sheridan Dr
Amherst, NY 14226

PROJECT LOCATION

9500 Transit Road

REQUEST

The applicant is requesting authorization for a \$20,400,000 Lease Transaction for the construction and equipping of two, 100 unit 3-story apartment buildings for senior citizens. The project is located at 9500 Transit Road within the Williamsville Central School District and is eligible under the Countywide Eligibility Policy.

The application states that "the project entails the construction of (2) 100 unit 3-story buildings wood frame, fully sprinklered apartment building for senior citizens capable of living an independent lifestyle. The building will incorporate a mixture of one and two bedroom apartments. All apartments will contain a full kitchen with appliances, full bath, living/dining area, air conditioning and exterior patio or balcony. Exterior parking, including a limited number of garages, will be provided. The apartments are rented exclusively to senior citizens 55 years of age and greater. It is anticipated that most residents will come from the Amherst area and that approximately 90% of the building's residents are those that currently reside in Erie County."

The applicant states that Agency participation is necessary because, "a sales tax and property tax exemption will allow Waldex, LLC to pass along this savings to the residents by reducing rents thus making them more affordable for the age group that will be served by this project." The market study prepared by Northeastern Appraisal Associates details that only with some form of tax subsidy can they meet the market rent targets \$750/month for the one bedroom units and \$850/month for the two-bedroom units.

EMPLOYMENT

The project will create 4 employment opportunities upon completion, 3 full-time and 1 part-time. Payroll is estimated to be \$135,200 annually.

PILOT SCHEDULE

Based on the information contained within the application and applying it to the PILOT criterion, the project would be eligible for the Agency's 7-year PILOT policy. During the PILOT period, the project will pay an estimated \$1,250,994 in property taxes; \$546,474 to the Town of Amherst, \$162,534 to Erie County and \$541,986 to the Williamsville Central School District.

The vacant land currently generates \$18,251 in annual town, county and school taxes. Over the benefit period this amount would be \$127,757. Should this project proceed, the net revenue gain would be \$1,123,237.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$630,000 in sales tax savings, \$2,225,850 in property tax savings and \$180,000 in mortgage recording tax savings.

Recommendation

Approval

Upon a motion by John DeLuca, seconded by Ayesha Nariman and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE WALDEX HOLDINGS, LLC (THE "LESSEE") TO ACQUIRE AN APPROXIMATELY 15.25 ACRE PARCEL OF LAND LOCATED AT 9500 TRANSIT ROAD IN THE TOWN OF AMHERST, TO CONSTRUCT A TWO (2) 100 UNIT THREE STORY BUILDINGS TOTALING APPROXIMATELY 114,980 SQUARE FEET BUILDING THEREON WITH EACH UNIT BEING A ONE BEDROOM OR TWO BEDROOM APARTMENT FOR SENIOR CITIZENS CAPABLE OF INDEPENDENT LIVING AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A SENIOR HOUSING FACILITY FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEE FOR RENTAL TO QUALIFIED SENIORS AND TO TAKE OTHER PRELIMINARY ACTION.

II. AUTHORIZATION RESOLUTION

APPLICANT

T.P. Woodside, Inc./Quality Plus, Inc.
60 Lawrence Bell Drive, LLC
60 Lawrence Bell Drive
Amherst, New York 14421
David P. Winter, CEO

REQUEST

The applicant is requesting authorization for a \$750,000 Lease Transaction for the construction of a 6,400 square foot addition to their existing 8,800 square foot office/warehouse facility. The NAICS for this type of company is 423700 (distribution services) which is eligible under the County-wide Eligibility Policy. The project is located within the Williamsville Central School District.

T.P. Woodside was started in 1976 by Tom & Claire Woodside as a manufacturer's representative sales firm. Company was primarily a heating, ventilation and air conditioning (HVAC) solutions provider of applied HVAC equipment. Over the year, the areas T.P. Woodside, Inc. has provided HVAC solutions in the local WNY community for school projects, colleges/universities, hospitals, healthcare insurance providers, industrial and pharmaceutical companies.

In 1996 Quality Plus, Inc. was formed as a parts and services business in order to continue to support the growth of T.P. Woodside.

In 2005, Tom and Claire Woodside sold both businesses to Eric Achman, Greg Snyder and David Winter, employees of T.P. Woodside. Today both companies continue to grow to meet the needs of their customers. The Woodsides continue to be employees of the company.

Both companies were formed based on a need for a strong "Total Solutions" company for the HVAC and data center industries. They have both grown by meeting the demands and needs of their customers and need to expand their current facility.

The additional space will be used for office/training and the remaining space will be used for additional file and parts storage.

The applicant states that Amherst IDA participation is necessary to provide financial relief from the costs of a large capital expansion that they must do in order to sustain their business. The company explored buildings in other communities including Buffalo, Cheektowaga and West Seneca and decided that expanding its existing building is financially feasible with incentives.

EMPLOYMENT

Project will retain 30 jobs, 28 full-time and 2 part-time. An estimated 2 full time positions will be created upon completion of the project. It is estimated that the existing \$1,554,550 payroll will increase to \$1,634,550.

PILOT SCHEDULE

Based on the information contained within the application and applying it to PILOT criterion, the expansion project would be eligible for the Agency's 7 year PILOT policy. During the PILOT period, the project will pay an estimated \$110,666 in property taxes; \$34,391 to the Town of Amherst, \$17,597 to Erie County and \$58,678 to the Williamsville Central School District.

The main parcel currently generates approximately \$12,025 in annual Town, County and School taxes. Over the benefit period this amount would be \$84,175. The main parcel will continue to pay the full equivalent of taxes during the benefit period of the expansion project. The net revenue gain over this time is estimated at \$26,491.

PROJECT TAX SAVINGS

As a result of the Agency's participation in this transaction, the project applicant will realize an estimated \$38,000 in sales tax savings and \$59,356 in property tax savings.

RECOMMENDATION

Approval

Upon a motion by Aaron Stanley, seconded by Ayesha Nariman and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE 60 LAWRENCE BELL DRIVE LLC (THE "LESSEE") TO CONSTRUCT AN APPROXIMATELY 6,400 SQUARE FOOT OFFICE/TRAINING ADDITION TO AN EXISTING APPROXIMATELY 8,800 SQUARE FOOT BUILDING LOCATED AT 60 LAWRENCE BELL DRIVE, AMHERST, NEW YORK AND AUTHORIZING T. P. WOODSIDE, INC. AND QUALITY PLUS, INC. (COLLECTIVELY, THE "SUBLESSEE") TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A SINGLE-TENANT OFFICE AND DESIGN FACILITY FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEE FOR SUB-SUBLEASE TO THE SUBLESSEE AND TO ENTER INTO AN INSTALLMENT SALE AGREEMENT OR EQUIPMENT

LEASE AGREEMENT WITH THE SUBLESSEE AND TO TAKE OTHER PRELIMINARY ACTION.

III. AUTHORIZATION RESOLUTION

APPLICANT

Prometheus Books, Inc.
59 John Glenn Dr
Amherst, New York 14228
Jonathan Kurtz, President

REQUEST

The applicant is requesting authorization for a \$236,057 Lease Transaction for the construction of a 4,800 square foot addition to their existing warehouse facility. The NAICS for this type of company is 511130 (distribution services) which is eligible under the County-wide Eligibility Policy. The project is located within the Sweet Home Central School District.

Prometheus Books is an independently owned publishing house and one of the largest outside New York City. They have been in business for 41 years and have concentrated on nonfiction titles dealing with critical thinking, popular science, social science, healthcare, history, true crime and philosophy among others. Their offices in Amherst house their editorial, typesetting, art design, advertising, publicity, sales, order fulfillment, customer services, accounting and shipping departments. The application states that 99% of their revenue is derived from outside Erie County and eighty-five percent is derived from outside New York State.

The project is a 4,800 square foot addition to their existing warehouse. It will also include racking for storage of books and an upgrade of warehouse computers and software to comply with vendor requirements of electronic data integration.

AIDA assistance is necessary as the company has explored out of state alternatives. The applicant states that all functions of sales, customer service, order fulfillment and shipping could be absorbed by a consolidator and would in turn save Prometheus Books payroll and administrative costs. The alternative to expanding its warehouse is to have sales, order fulfillment, customer service and shipping done by a consolidator outside New York and has investigated using the services of a firm in Pennsylvania.

EMPLOYMENT

This expansion project will retain 11 warehouse jobs, 9 full-time and 2 part-time. An estimated 2 full time positions will be created upon completion of the project. It is estimated that the existing \$308,000 payroll for these positions will increase to \$356,000.

PILOT SCHEDULE

Based on the information contained within the application and applying it to PILOT criterion, the expansion project would be eligible for the Agency's 7 year PILOT policy. During the PILOT period, the project will pay an estimated \$181,564 in property taxes; \$38,573 to the Town of Amherst, \$29,040 to Erie County and \$113,951 to the Sweet Home Central School District.

The main parcel currently generates approximately \$24,391 in annual Town, County and School taxes. Over the benefit period this amount would be \$170,740. The main parcel will continue to pay the full equivalent of taxes during the benefit period of the expansion project. The net revenue gain over this period is estimated at \$10,824.

PROJECT TAX SAVINGS

As a result of the Agency's participation in this transaction, the project applicant will realize an estimated \$12,665 in sales tax savings, \$28,954 in property tax savings and an estimated \$2,360 in mortgage tax savings.

RECOMMENDATION

Approval

Upon a motion by Stuart Shapiro, seconded by John DeLuca and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE PAUL KURTZ (THE "LESSEE") TO CONSTRUCT AN APPROXIMATELY 4,800 SQUARE FOOT WAREHOUSE ADDITION TO HIS EXISTING BUILDING LOCATED AT 59 JOHN GLENN DRIVE, AMHERST, NEW YORK WHICH BUILDING IS OWNED BY THE LESSEE AND LEASED TO PROMETHEUS BOOKS, INC. (THE "SUBLESSEE") AND AUTHORIZING THE SUBLESSEE TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A BOOK PUBLISHING, SALES AND AND DISTRIBUTION FACILITY FOR SALE TO THE AGENCY AND SUBSEQUENT LEASE TO THE LESSEE FOR SUBLEASE TO THE SUBLESSEE WITH THE EQUIPMENT TO BE LEASED TO THE SUBLESSEE OR SOLD TO THE SUBLESSEE PURSUANT TO AN INSTALLMENT SALE TRANSACTION AND TO TAKE OTHER PRELIMINARY ACTION.

IV. AUTHORIZATION RESOLUTION

APPLICANT

Iskalo Development Corp on behalf of an entity to be formed
5166 Main Street
Amherst, New York 14221
David Chiazza, EVP

PROJECT LOCATION

5727 Main Street (former Pit Petri building)

REQUEST

The applicant is requesting authorization for a \$1,705,000 Lease Transaction for the acquisition, redevelopment, renovation and equipping of an existing 7,550 square foot facility located at 5727 Main Street. This project is an Adaptive Re-Use of an office/retail facility which has been nearly vacant since April 2009. The project is eligible under the County-Wide Eligibility Policy as a Neighborhood Enhancement Area Project.

The application states that the building consists of two tenant suites; a retail suite (facing Main Street) and an office suite (facing the rear of the property). Improvements to the property would include an undertaking of deferred maintenance, roof replacement, HVAC unit replacement, façade enhancement and site reconfiguration to improve parking and circulation. The application also states that while the specifications for the roof are not finalized at this time, the Iskalo "standard" for roofing exceed the specifications for the existing roof which will enhance the durability and energy efficiency. Similarly, the new roof top HVAC units will replace other technology (and less energy efficient) units that are more than 15 years old.

The applicant states that AIDA benefits are required to help offset some of the cost of repositioning the property so as to keep tenant occupancy costs within the relative range for this submarket. Though no lease has been executed, Iskalo has identified a prospective tenant for the primary suite facing Main Street that would be new to the Buffalo area. This tenancy is dependent upon investment in the building to undertake deferred maintenance and to make other improvements to the site and building that, without the benefits derived from the AIDA Enhancement Program, would result in a rent that would be well above the relevant market range for this property and the prospective tenant. If the AIDA inducement is not granted, the proposed project improvements would have to be substantially reduced in scope which would nullify the interest of the prospective tenant and result in our not proceeding with the acquisition of the property. Given the 18 + month duration of vacancy of the primary suite, and the pending vacancy of the rear office suite, it is reasonable to assume that the status of the building would continue to decline which would be a detriment to the overall well being of the Village of Williamsville commercial district.

EMPLOYMENT

It is estimated that the project will create 18 full-time equivalent employment opportunities upon completion. Payroll is estimated to be \$740,000 annually.

PILOT SCHEDULE

Based on the information contained within the application and applying it to the PILOT criterion, the project would be eligible for the Agency's 485(b) PILOT schedule. During the benefit period, the project will pay an estimated \$242,876 in property taxes; \$60,194 to the Town of Amherst, \$14,935 to the Village of Williamsville, \$38,700 to Erie County and \$129,047 to the Williamsville Central School District.

The parcel currently generates approximately \$18,512 in annual Town, Village, County and School taxes. Over the benefit period this amount would be \$185,123. It will continue to pay the full equivalent of taxes during the benefit period. The net revenue gain over this time is estimated at \$57,753.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$21,875 in sales tax savings, \$18,645 in property tax savings and \$15,000 in mortgage recording tax savings.

Upon a motion by Ayesha Nariman, seconded by Stuart Shapiro and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE ISKALO DEVELOPMENT CORP. ON BEHALF OF A LIMITED LIABILITY COMPANY TO BE FORMED (THE "LESSEE") TO ACQUIRE AN APPROXIMATELY .50 ACRE PARCEL OF LAND WITH AN EXISTING APPROXIMATELY 7,550 SQUARE FOOT RETAIL/OFFICE BUILDING LOCATED AT 5727 MAIN STREET, IN THE MAIN STREET ENHANCEMENT ZONE IN THE VILLAGE OF WILLIAMSVILLE, TOWN OF AMHERST, NEW YORK AND TO RENOVATE THE EXISTING BUILDING, ALL FOR A MULTI-TENANT RETAIL/OFFICE FACILITY FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEE FOR SUB-SUBLEASE TO OTHER TENANTS, AND TO TAKE OTHER PRELIMINARY ACTION.

MORTGAGE TRANSACTIONS

I. Second Mortgage Transaction

S & K Realty, LLC - Company is requesting Agency consent to a second mortgage financing transaction for their project located at 155 CrossPoint Parkway. Project was induced in May 1999 and closed in

January 2000. Project was for the construction of a 40,500 square foot single tenant facility for ATTO Technology. ATTO Technology designs and manufactures state-of-the-art high performance hardware and software for data delivery systems. The project was in the amount of \$3,486,000. The amount of the second mortgage being requested is \$700,000 and proceeds will be used for renovation and reconfiguration of the R & D and manufacturing departments. Applicant has informed the Agency that because the purchases being made for the reconfiguration are for research and development, they are tax exempt and thus, the applicant is not seeking IDA incentives on this project.

HSBC Bank will provide the financing for this project.

The PILOT will not be affected by this transaction. The project begins to pay full taxes in 2015.

Applicant is also requesting that the Agency fee be eliminated or reduced due to the nature of the second mortgage.

Recommendation: Approval of the second mortgage transaction. Agency staff recommends a reduced fee to one-half of 1% of the second mortgage amount because the Agency is providing minimal benefits to this project.

Upon a motion by Stuart Shapiro, seconded by Ayesha Nariman and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE THE EXECUTION AND DELIVERY OF A SECOND MORTGAGE AND THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND AGREEMENTS REQUIRED IN CONNECTION THEREWITH IN CONNECTION WITH THE APPLICATION FOR SUPPLEMENTAL FINANCING FOR THE 1999 S & K REALTY/AMHERST LLC PROJECT

And also:

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY REDUCE ITS FEE TO ONE-HALF OF 1% OF THE SECOND MORTGAGE AMOUNT BECAUSE THE AGENCY IS PROVIDING MINIMAL BENEFITS TO THIS PROJECT.

II. Third Mortgage Transaction

Iskalo Offices Holding III, LLC – The company is requesting Agency consent to a third mortgage transaction together with a Mortgage Consolidation Agreement with one or more prior mortgages on the project. The project is located at 2410 North Forest Road. It was induced in August 2006 and closed in January 2008. The project involved the construction of an 80,000 square foot multi-tenant office facility. The first mortgage, in the amount of \$14,750,000, was issued when the Agency closed on the project in 2008. The Agency approved a second mortgage transaction in the amount of \$450,000 in April 2010. Company is now requesting a third mortgage in the amount of \$2,800,000. The additional proceeds from this transaction will fund the hard construction costs related to the project, along with enabling the applicant to consolidate one or more of the mortgages at closing.

M & T Bank will continue to provide the financing for this project.

The PILOT will not be affected by this transaction. It is scheduled to commence upon completion of the facility which is anticipated for September 2011.

Upon a motion by Ayesha Nariman, seconded by John DeLuca and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE THE EXECUTION AND DELIVERY OF A THIRD MORTGAGE IN THE PRINCIPAL AMOUNT OF \$2,800,000 ON THE 2008 2410 NORTH FOREST ROAD PROJECT TOGETHER WITH A MORTGAGE CONSOLIDATION AGREEMENT TO CONSOLIDATE THE THIRD MORTGAGE WITH ONE OR MORE PRIOR MORTGAGES ON THE PROJECT, IF REQUIRED, AND FURTHER AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH.

9:10 am – Meeting adjourned.

**EXHIBIT B – MINUTES OF THE MEETING
OF THE TOWN OF AMHERST INDUSTRIAL
DEVELOPMENT AGENCY HELD ON
SEPTEMBER 16, 2011**

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 439th Meeting
September 16, 2011 – 8:30 am
Agency Offices, 4287 Main Street

The meeting of the above captioned Agency was called to order by Chairman Fredrick A. Vilonen.

PRESENT: Fredrick A. Vilonen
Edward F. Stachura
Randall Clark
Ayesha Nariman
Stuart Shapiro
Robert M. Ciesielski
Aaron Stanley
James Allen, Executive Director
Nathan Neill, Esq.
Steven Sanders, Town Board Liaison

GUESTS: AIDA Staff
David Robinson, Buffalo News
Jim Fink, Business First
Michael Connors, Affordable Senior Housing
Andrew Schalberg, Ivoclar Vivadent
Andy Reynolds, Coalition for Economic Justice

Chairman Vilonen reminded everyone that the meeting was being tape-recorded.

MINUTES

The minutes of the August 2011 meeting were approved as presented.

BILLS & COMMUNICATIONS

There were no Bills and Communications at this meeting.

TREASURER'S REPORT

The Treasurer's Report for August 2011 was approved as presented.

PUBLIC COMMENT

There was no comment at this meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Allen reported that he and Deputy Director Mingoia met with ECIDA representatives to discuss the current county-wide adaptive re-use policy. The group also discussed the need for a review of the hotel policy and new hotel construction redevelopment areas. Mr. Allen indicated that the policies would be discussed at the upcoming IDA Leadership Council meeting on September 21st.

Mr. Allen informed the board that he was invited by Councilmember Sanders to speak at a Tax Institute luncheon in November.

Mr. Allen also told the board that the ICIB report was scheduled to be presented to the Amherst Town Board at an upcoming meeting.

COMMITTEE REPORTS

There were no Committee Reports presented at this meeting

UNFINISHED BUSINESS

There was no Unfinished Business presented at this meeting.

NEW BUSINESS

I. Mortgage Resolution

Sachel, LLC - requested Agency consent for the refinancing of their 2003 mortgage transaction. The original project involved the acquisition and renovation of an existing 7,300 square foot warehouse/distribution facility located at 150 Creekside Drive. The original mortgage amount was \$550,000. The current balance on the mortgage is \$338,937.20. Company is requesting the new mortgage in the amount of \$550,000. The purpose of the transaction is for working capital and a reduced interest rate.

The PILOT on the project will not be affected by this transaction. Property begins to pay full taxes in 2020.

Five Star Bank will provide the financing for this transaction.

Recommendation: approval

Upon a motion by Edward Stachura, seconded by Randal Clark and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LEASE AGREEMENT OR LEASE AMENDMENT, IF REQUIRED, A MORTGAGE AND THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND AGREEMENTS REQUIRED IN CONNECTION THEREWITH IN CONNECTION WITH THE REFINANCING OF THE 2003 SACHEL, LLC PROJECT AND 2008 SACHEL, LLC PROJECT.

II. Authorization Resolutions

APPLICANT

Affordable Senior Housing Opportunities Inc.
On behalf of an LLC to be formed
384 Harris Hill Rd
Williamsville, NY 14221
Michael Connors, Director of Development

PROJECT LOCATION

1880/1900 Sweet Home Road

REQUEST

The applicant is requesting authorization for a \$9,700,000 Lease Transaction for the construction and equipping of a 117,000 square foot, 120 unit, 4-story apartment building for senior citizens. The project is located at 1880 and 1900 Sweet Home Road and is within the Sweet Home Central School District. *The project is eligible under the Countywide Eligibility Policy.*

Affordable Senior Housing Opportunities, Inc. mission is to provide affordable housing opportunities for senior citizens who are capable of living independently. The company has developed nine apartment buildings for senior citizens in the Buffalo area that are similar to the proposed building on Sweet Home Road.

The application states that the Sweet Home senior apartments shall entail the construction of a single, four story, wood framed, fully-sprinklered apartment building for senior citizen capable of living independently. The building shall contain a mixture of one and two bedroom apartments totaling 120 units. The apartments shall be equipped with a refrigerator, stove, microwave and dishwasher. The building will also feature a community room, laundry facilities, a beauty parlor, lounges, an exercise room, staff offices and an elevator. The building is being designed specifically for senior citizens and is fully handicap accessible and all units are handicap adaptable.

The application states that *"but for Agency participation, the project will not proceed. There is a strong need for affordable housing for senior citizens in the Town of Amherst, across Erie County and throughout New York State. IDA participation will allow the project to be competitive in the market place and avoid potential operating shortfalls."*

EMPLOYMENT

The project will create 3 full time employment opportunities after project construction is complete.

PILOT SCHEDULE

Based on the information contained within the application, the project would be eligible for the Agency's 7 Year PILOT. During the abatement period, the project would pay an estimated \$655,691 in property taxes; \$293,462 to the Town of Amherst, \$72,670 to Erie County and \$289,559 to the Sweet Home Central School District.

The vacant land currently generates \$13,629 in annual town, county and school taxes. Over the abatement period this amount would be \$95,403. Should this project proceed, the estimated net revenue gain would be \$560,288.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$180,496 in sales tax savings, \$1,241,767 in property tax savings and \$96,188 in mortgage recording tax savings.

Upon a motion by Aaron Stanley, seconded by Ayesha Nariman and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE AFFORDABLE SENIOR HOUSING OPPORTUNITIES OF NEW YORK, INC. ON BEHALF OF A LIMITED LIABILITY COMPANY TO BE FORMED TO BE KNOWN AS CLOVER COMMUNITIES SWEET HOME,

LLC (THE "LESSEE") TO CONSTRUCT AN APPROXIMATELY 117,000 SQUARE FOOT SENIOR HOUSING COMPLEX FOR SENIORS CAPABLE OF INDEPENDENT LIVING ON AN APPROXIMATELY 3.4 ACRE PARCEL OF LAND LOCATED AT 1880 SWEETHOME ROAD IN THE TOWN OF AMHERST AND AUTHORIZING AFFORDABLE SENIOR HOUSING OPPORTUNITIES OF NEW YORK, INC. WHICH WILL BE THE OPERATOR OF THE FACILITY (THE "SUBLESSEE") TO ACQUIRE AND INSTALL MACHINERY, EQUIPMENT, FURNISHINGS AND FIXTURES REQUIRED IN CONNECTION THEREWITH, ALL FOR AN SENIOR HOUSING FACILITY AND A RETAIL FACILITY UNDER THE ACT, FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEE FOR SUB-SUBLEASE TO THE SUBLESSEE AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE TO AGENCY, A LEASEBACK AGREEMENT, A MORTGAGE IN AN AMOUNT NOT TO EXCEED \$9,700,000 AND AN INSTALLMENTSALE AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE MORTGAGE AND TO TAKE OTHER PRELIMINARY ACTION.

APPLICANT

Ivoclar Vivadent, Inc.
175 Pineview Dr.
Amherst, NY 14229
Andrew Schalberg, Director of Logistics

REQUEST

The applicant is requesting authorization for a \$4,150,000 Lease Transaction for the construction and equipping of a 26,000 square foot office/warehouse addition to an existing manufacturing facility. The project is located at 175 Pineview Drive and is within the Sweet Home Central School District. The NAICS for this project is 423450 and is eligible under the Countywide Eligibility Policy.

Ivoclar Vivadent is a manufacturer and wholesaler of restorative dental products (alloys, filling materials, denture teeth, equipment) used in dental offices and dental laboratories. The company estimates that 99.9% of its goods and services are sold outside Erie County, 85% outside of New York State and 10% outside the United States.

Ivoclar Vivadent, Inc. is the North American headquarters and wholly-owned subsidiary of Ivoclar Vivadent, AG located in Schaan, Liechtenstein. It markets and distributes dental products to dentists, dental laboratories and dental dealer throughout the United States and Canada. Additionally, the crown and bridge product line, which includes precious alloys, is distributed from Amherst on a worldwide basis.

The application states, "the basis of the expansion project is two-fold. First, the current warehouse and manufacturing facilities are currently at 100% capacity. The leased, offsite manufacturing building is in disrepair, with no ability to increase the needed space to accommodate growth. Immediate space is required to provide an effective and efficient environment to produce products. Second, the company envisions market share growth in the range of 5-10% per year through 2016. To support this project growth, additional office space is needed for the incremental hiring of 33 staff members and additional warehouse space is needed for product expansion. Since the company operates in the very competitive dental market, profit margin structure is significantly tighter than most other industries. Our options therefore consist of two choices. Preferably, with financial support from the State of New York, we would expand our current facility in Amherst, NY and consolidate all manufacturing and warehousing

operations on this campus. Option two is to move the current manufacturing operations to the Somerset, NJ facility. Upwards of 10 current jobs residing in WNY would immediately move out of state. Hence AIDA assistance is necessary due to cost considerations of expanding the Amherst facility versus Somerset, NJ."

Ivoclar is continuing its due diligence with the Buffalo Niagara Enterprise and Empire State Development on incentives and assistance to secure this investment in Amherst.

EMPLOYMENT

The company currently employs 200 full time and 10 part-time. The project would create an additional 33 employment opportunities.

PILOT SCHEDULE

Based on the information contained within the application, the project would be eligible for the Agency's Tier 10 Year PILOT. During the abatement period, the project would pay an estimated \$341,354 in property taxes; \$159,839 to the Town of Amherst, \$36,415 to Erie County and \$145,099 to the Sweet Home Central School District.

The vacant land currently generates \$2,506 in annual town, county and school taxes. Over the abatement period this amount would be \$25,061. Should this project proceed, the estimated net revenue gain would be \$316,293.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$153,125 in sales tax savings, \$713,606 in property tax savings and \$41,500 in mortgage recording tax savings.

Recommendation: approval

Upon a motion by Randall Clark, seconded by Ayesha Nariman and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE IVOCLAR VIVADVENT, INC. (THE "LESSEE") TO CONSTRUCT AN APPROXIMATELY 26,000 SQUARE FOOT OFFICE/WAREHOUSE ADDITION TO AN EXISTING MANUFACTURING FACILITY LOCATED AT 175 PINEVIEW DRIVE, AMHERST, NEW YORK AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A MANUFACTURING FACILITY FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEE AND TO TAKE OTHER PRELIMINARY ACTION.

9:03 am – Chairman Vilonen called the board into Executive Session to discuss a legal matter.

9:20 am – meeting was re-opened. Upon a motion by Ayesha Nariman, seconded by Stuart Shaprio and an abstention by Randall Clark, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY ACCEPT THE LEASE TERMINATION OF HSBC BANK INVOLVING THE 15-YEAR INSTALLMENT

SALE AGREEMENT FOR THEIR PROJECT LOCATED AT 191 PARK CLUB AND FURTHER RESOLVED AND APPROVE A REDUCED FEE REQUEST IN THE AMOUNT OF \$412,500 UPON TERMINATION OF THE AGREEMENT.

9:28 am – Meeting adjourned.