



TOWN OF AMHERST  
INDUSTRIAL DEVELOPMENT AGENCY  
And  
TOWN OF AMHERST  
DEVELOPMENT CORPORATION

2012 ANNUAL REPORT  
(For purposes of Section 2800(2) of the Public Authorities Law)

## Description of the Agency and Purposes of the Annual Report

The Town of Amherst Industrial Development Agency (AIDA) is a not-for-profit, public benefit corporation that provides tax abatement, grant administration and other economic development services to the Town of Amherst. In accomplishing its mission, the AIDA does not receive any operational funding from Federal, State, County or local sources. Instead, the AIDA relies primarily upon administrative fees charged to those companies that utilize its products and services.

The Town of Amherst Industrial Development Agency has one other affiliated not-for-profit organization as follows:

- 1) **Town of Amherst Development Corporation (ADC)**-This is a lending corporation serving as a conduit for Federal, State, County or local grant funding.

Both the AIDA and ADC are related since they are managed by the same personnel. They share the same Board of Directors as their oversight body.

As a Public Authority, the AIDA and ADC are required to comply with New York State's Public Authorities Law. Under this Law, the AIDA and ADC are required to submit a comprehensive annual report that includes information on:

- Operations and accomplishments
- Revenues and expenses
- Assets and liabilities
- Bond and notes outstanding
- Compensation (for those earning \$100,000 +)
- Projects undertaken during the year
- Property held and property dispositions
- Code of Ethics
- An assessment of internal control structure and effectiveness

In compliance with the Public Authorities Law, the following required information is presented for the fiscal year ended December 31, 2012.

### Operations and Accomplishments

#### ***Operations:***

The Amherst IDA and the Amherst Development Corporation are managed by a 7 member Board of Directors appointed by the Amherst Town Board.

The mission of the Amherst Industrial Development Agency is to promote economic diversity and to broaden the tax base of the Town of Amherst in order to reduce the tax burden on homeowners, while helping to maintain and enhance a high quality living environment.

### ***2012 Accomplishments:***

→ The AIDA approved 10 projects in 2012 totaling \$84,365,750 in private sector investment in the construction, renovation and equipping of 450,040 square feet. Upon completion of these projects, 495 new jobs will be created, 564 jobs retained and \$6,400,331 in new property taxes will be generated.

- Utilizing IMPLAN economic development software to determine multiplier effects in the region, 492 construction and supply jobs are supported, and \$55,858,821 in additional spending occurs due to construction and equipment investments. Expanded firms also contribute an additional \$170,125,591 in annual output to the regional economy.
- Four (4) redevelopment projects were approved in 2012, three (3) of which were in Town of Amherst designated Enhancement Areas. The AIDA has approved 53 redevelopment projects totaling over \$200 million in new investment since 2000. These renovated, reused and expanded facilities will pay \$16 million in additional property taxes over the course of their PILOT periods.

As Amherst continues to mature, redeveloping its older commercial areas is vital to maintaining its high quality of life. This forms the basis for Amherst's Bicentennial Comprehensive Plan and the AIDA's redevelopment strategy. Redeveloping existing properties leverages greater use of public infrastructure and reduces pressures on further "Greenfield" development.

- Economic Development Update Town of Amherst Bicentennial Comprehensive Plan – The AIDA reviewed and provided input to the Comprehensive Plan. 2010 employment data reinforces the Town's role as a regional employment center with 104,149 jobs. Furthermore, 80% of all new jobs in the region since 1980 were created in the Town of Amherst.
- Traditional Neighborhood (TNB) Zoning— The AIDA worked with the Town of Amherst Planning Department on an overlay that was approved for the "Superblock" that encompasses the streets of Main-Kenmore-Niagara Falls Blvd-Eggert-Bailey. Part of the project area incorporates the TNB Zoning, but a new zoning classification, "Live-Work" was developed for properties along Kenmore and Bailey Avenues that combine residential dwellings with limited on-site working/commercial space.

The intent of an overlay is to encourage developers and property owners to undertake expansion and improvements of properties by removing outdated zoning restrictions

associated with parking, building set-backs and the amount of a site a building can occupy.

- Picture Main Street Plan – The AIDA has been an active part of a planning effort to improve the Main Street corridor through infrastructure and other aesthetic improvements. The concept focuses on refining the Williamsville Community Plan resulting in actual construction documents in 2013. Community visioning is nearing completion on the actual desired improvements. AIDA involvement is focusing on funding elements to implement infrastructure and redevelopment efforts including a possible façade program.
- Main Street Corridor Market Study – The AIDA, the Town of Amherst, and Village of Williamsville, hired David Versel, an economic consultant, to conduct a market study of the Main Street retail corridor from the I-290 to Youngs Road. The market study will help guide comprehensive planning updates and the development of zoning/design regulations by analyzing future retail, housing, and office markets for the project area based on 5, 10 and 20 year planning horizons. This study is expected to be complete by the middle of 2013.
- Countywide Eligibility Policy – The AIDA worked with the IDAs of Erie County on revisions that led to the approval to eliminate incentive eligibility for renovating existing hotels. Hotels that are a component or attached to a regional tourism destination, located in an Enhancement Area or part of a redevelopment project remain eligible to apply for incentives.

Work also commenced on modifying the Neighborhood Enhancement Area and Adaptive Reuse eligibility criteria to create a unified Redevelopment Policy dealing with both aspects of investment. Main goals in revising the policy include highlighting the strategic importance of eliminating chronic vacancy in addition to assisting communities throughout Erie County define their Enhancement Areas.

- Coalition For Community Building – The AIDA worked with a diverse set of groups including FAIR and local chambers of commerce identifying chokepoints to development including wetlands regulations that are not uniform throughout the State and infrastructure funding shortages in WNY. Additionally, the groups focused on redevelopment and held a forum in the Fall that included the Council for New Urbanism as the lead speaker on its importance.

### **Financial Information regarding the AIDA and the ADC**

The balance sheets and income statement of the AIDA and the ADC as of and for the fiscal years ended December 31, 2012 and 2011 are included as Appendix A.

The financial statements are audited on an annual basis, by AIDA's and ADC's external auditors Toski, Schafer & Co., PC. In their opinion, the financial statements present fairly, in all material aspects, the financial position of the AIDA and the ADC as of December 2012 and 2011, and

associated with parking, building set-backs and the amount of a site a building can occupy.

- Picture Main Street Plan – The AIDA has been an active part of a planning effort to improve the Main Street corridor through infrastructure and other aesthetic improvements. The concept focuses on refining the Williamsville Community Plan resulting in actual construction documents in 2013. Community visioning is nearing completion on the actual desired improvements. AIDA involvement is focusing on funding elements to implement infrastructure and redevelopment efforts including a possible façade program.
- Main Street Corridor Market Study – The AIDA, the Town of Amherst, and Village of Williamsville, hired David Versel, an economic consultant, to conduct a market study of the Main Street retail corridor from the I-290 to Youngs Road. The market study will help guide comprehensive planning updates and the development of zoning/design regulations by analyzing future retail, housing, and office markets for the project area based on 5, 10 and 20 year planning horizons. This study is expected to be complete by the middle of 2013.
- Countywide Eligibility Policy – The AIDA worked with the IDAs of Erie County on revisions that led to the approval to eliminate incentive eligibility for renovating existing hotels. Hotels that are a component or attached to a regional tourism destination, located in an Enhancement Area or part of a redevelopment project remain eligible to apply for incentives.

Work also commenced on modifying the Neighborhood Enhancement Area and Adaptive Reuse eligibility criteria to create a unified Redevelopment Policy dealing with both aspects of investment. Main goals in revising the policy include highlighting the strategic importance of eliminating chronic vacancy in addition to assisting communities throughout Erie County define their Enhancement Areas.

- Coalition For Community Building – The AIDA worked with a diverse set of groups including FAIR and local chambers of commerce identifying chokepoints to development including wetlands regulations that are not uniform throughout the State and infrastructure funding shortages in WNY. Additionally, the groups focused on redevelopment and held a forum in the Fall that included the Council for New Urbanism as the lead speaker on its importance.

### **Financial Information regarding the AIDA and the ADC**

The balance sheets and income statement of the AIDA and the ADC as of and for the fiscal years ended December 31, 2012 and 2011 are included as Appendix A.

The financial statements are audited on an annual basis, by AIDA's and ADC's external auditors Toski & Co., PC. In their opinion, the financial statements present fairly, in all material aspects, the financial position of the AIDA and the ADC as of December 2012 and 2011, and changes in

net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Projects Undertaken by the AIDA during fiscal year 2012**

Appendix B lists the projects undertaken by the AIDA in fiscal year 2012.

### **Schedule of Bonds and Notes Outstanding**

Appendix B1 summarizes the AIDA's bonds and notes outstanding at December 31, 2012. The indebtedness shown on this schedule is conduit debt and is *not* an obligation of the AIDA, Town of Amherst or New York State. The AIDA does not record assets or liabilities resulting from completed bond and note issues since its primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

### **Projects Undertaken by the ADC during fiscal year 2012**

Appendix C lists the projects undertaken by the Amherst Development Corporation in fiscal year 2012.

### **Schedule of Bonds and Notes Outstanding**

Appendix C1 summarizes the ADC's bonds and notes outstanding at December 31, 2012. The indebtedness shown on this schedule is conduit debt and is *not* an obligation of the ADC, Town of Amherst or New York State. The ADC does not record assets or liabilities resulting from completed bond and note issues since its primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

### **Compensation Schedule**

The following individuals had a salary exceeding \$100,000 during 2012:

<u>Name</u>	<u>Title</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
James J. Allen	Executive Director/ CEO/CFO	\$172,008	\$33,609	\$205,617

### **Listing of certain Property of the Agency**

The following is a listing of all real property owned by the AIDA having an estimated fair market value ("FMV") in excess of \$15,000 at the end of fiscal year 2012:

AIDA offices	4287 Main Street, Amherst New York	estimated FMV \$590,000
--------------	------------------------------------	-------------------------

changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Projects Undertaken by the AIDA during fiscal year 2012**

Appendix B lists the projects undertaken by the AIDA in fiscal year 2012.

### **Schedule of Bonds and Notes Outstanding**

Appendix B1 summarizes the AIDA's bonds and notes outstanding at December 31, 2012. The indebtedness shown on this schedule is conduit debt and is *not* an obligation of the AIDA, Town of Amherst or New York State. The AIDA does not record assets or liabilities resulting from completed bond and note issues since its primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

### **Projects Undertaken by the ADC during fiscal year 2012**

Appendix C lists the projects undertaken by the Amherst Development Corporation in fiscal year 2012.

### **Schedule of Bonds and Notes Outstanding**

Appendix C1 summarizes the ADC's bonds and notes outstanding at December 31, 2012. The indebtedness shown on this schedule is conduit debt and is *not* an obligation of the ADC, Town of Amherst or New York State. The ADC does not record assets or liabilities resulting from completed bond and note issues since its primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

### **Compensation Schedule**

The following individuals had a salary exceeding \$100,000 during 2012:

<u>Name</u>	<u>Title</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
James J. Allen	Executive Director/ CEO/CFO	\$172,008	\$33,609	\$205,617

### **Listing of certain Property of the Agency**

The following is a listing of all real property owned by the AIDA having an estimated fair market value ("FMV") in excess of \$15,000 at the end of fiscal year 2012:

AIDA offices	4287 Main Street, Amherst New York	estimated FMV \$590,000
--------------	------------------------------------	-------------------------

The AIDA and ADC do not intend to dispose of any real property with a FMV in excess of \$15,000 in 2013.

The AIDA and ADC did not dispose of any real property with a FMV in excess of \$15,000 during 2012.

It should be noted that the above listing excludes the approximate 147 properties in which the AIDA has technical title in order to convey certain tax or other benefits. The property presented is that which AIDA has "real" beneficial ownership.

### **Code of Ethics**

The AIDA and ADC Code of Ethics policy is included as Appendix D.

### **Assessment of the Effectiveness of Internal Control Structure and Procedures:**

The Town of Amherst Industrial Development Agency and the Town of Amherst Development Corporation are audited by an external CPA firm on an annual basis. As part of their audit, the external auditors may review and test certain internal controls to provide evidence to support their opinion on the financial statements. Although no audit of Amherst IDA's internal controls has been performed, management has not been notified of any material internal control weaknesses resulting from the financial statement audit.


In addition, the Town of Amherst Industrial Development Agency and the Town of Amherst Development Corporation engage external law firms to ensure compliance with applicable laws, regulations, contracts, grants and policies.



**Certification Pursuant to Section 2800(3) of the Public Authorities Law**

Pursuant to Section 2800 (3) of the Public Authorities Law, the undersigned officer of the Town of Amherst Industrial Development Agency (AIDA) and the Town of Amherst Development Corporation (ADC) does hereby certify with respect to the attached annual financial report(s) that based on the officer's knowledge:

- 1) The information provided in the Annual Financial Report is accurate, correct and does not contain any untrue statement of material fact;
- 2) Does not omit any material fact which, if omitted, would cause the financial statements contained in the Annual Financial Report to be misleading in light of the circumstances under which such statements are made; and
- 3) Fairly presents in all material respects the financial condition and results of operations of the AIDA and ADC as of, and for the periods presented in such financial statements.



---

James J. Allen  
Executive Director/CEO/CFO

## APPENDIX A

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY  
 Statements of Net Position  
 December 31, 2012 and 2011

	<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets:			
Cash and equivalents		\$ 1,722,335	1,607,671
Prepaid insurance		4,951	4,988
Receivables:			
Accounts receivable		174,912	7,456
Grant receivable		<u>33,818</u>	<u>33,818</u>
Total receivables		<u>208,730</u>	<u>41,274</u>
Total current assets		<u>1,936,016</u>	<u>1,653,933</u>
Property and equipment at cost:			
Land		100,000	100,000
Leasehold improvements		18,709	18,709
Equipment		152,036	144,376
Building		<u>719,835</u>	<u>719,835</u>
		990,580	982,920
Less accumulated depreciation		<u>(282,346)</u>	<u>(250,684)</u>
Net property and equipment		<u>708,234</u>	<u>732,236</u>
Other assets - note receivable, related party		<u>50,000</u>	<u>50,000</u>
Restricted assets:			
Restricted for future industrial development loans		162,408	238,672
Cash restricted for mortgage escrow		<u>64,939</u>	<u>64,941</u>
Total restricted assets		<u>227,347</u>	<u>303,613</u>
Total assets		<u>2,921,597</u>	<u>2,739,782</u>

(Continued)

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY  
Statements of Net Position, Continued

<u>Liabilities</u>	<u>2012</u>	<u>2011</u>
Current liabilities:		
Accounts payable	\$ 10,000	35,000
Due to U.S. Treasury Department	99	363
Current installments of mortgage payable	<u>34,235</u>	<u>35,074</u>
Total current liabilities	44,334	70,437
Mortgage payable, less current portion	<u>603,625</u>	<u>640,898</u>
Total liabilities	<u>647,959</u>	<u>711,335</u>
Commitment and contingencies (note 8)	<u>                    </u>	<u>                    </u>
Net position:		
Invested in capital assets, net of related debt	70,374	56,265
Restricted:		
Restricted for future industrial development loans	162,408	238,672
Restricted for mortgage escrow	<u>64,939</u>	<u>64,941</u>
	<u>227,347</u>	<u>303,613</u>
Unrestricted:		
Reserved for future investments	100,000	100,000
Unreserved	<u>1,875,917</u>	<u>1,568,569</u>
	<u>1,975,917</u>	<u>1,668,569</u>
Total net position	<u>\$ 2,273,638</u>	<u>2,028,447</u>

TOWN OF AMHERST  
DEVELOPMENT CORPORATION  
Statements of Financial Position  
December 31, 2012 and 2011

	<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets:			
Cash		\$ 7,246	7,271
Current portion of note receivable		<u>15,861</u>	<u>15,703</u>
Total current assets		23,107	22,974
Note receivable, less current portion		60,921	76,930
Investments, at fair value		<u>25,000</u>	<u>25,000</u>
Total assets		<u>\$ 109,028</u>	<u>124,904</u>
<u>Liabilities and Net Assets</u>			
Current liabilities - current portion of note payable		15,861	15,703
Note payable - related party		50,000	50,000
Note payable, less current portion		<u>60,921</u>	<u>76,930</u>
Total liabilities		126,782	142,633
Unrestricted net assets (deficit)		<u>(17,754)</u>	<u>(17,729)</u>
Total liabilities and net assets		<u>\$ 109,028</u>	<u>124,904</u>

## APPENDIX B

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

Schedule of Detailed Financing Activity  
Year ended December 31, 2012

	<u>Date issued</u>	Basis for computing administrative <u>fees</u>
Lease agreements:		
Prometheus Books	11/10	\$ 246,750
60 Lawrence Bell/TP Woodside/Quality Plus, Inc.	11/10	1,486,762
Iskalo Dev. - 5178 Main St.	04/11	1,254,535
Affordable Housing Opp. Of NY	09/11	8,367,946
5000 Group, LLC	01/12	27,600,000
1085 Eggert Road LLC	12/12	2,125,000
2012 MCDMapleAyer, LLC - Constr. Fin.	2/12	2,000,000
2012 MCDMapleAyer, LLC -Perm. Fin.	12/12	<u>525,000</u>
		<u>43,605,993</u>
Second mortgage agreements - 2012 15 Limestone Dr., Assoc., LLC	08/12	<u>124,309</u>
Assignment of leases - 2012 B & S Northtowns Campus Group	01/12	<u>3,800,000</u>
Installment sales:		
3d Development Group, LLC	02/12	697,500
PHH Mortgage Corp.	12/12	16,000,000
M&T Bank Data Center - Tech (2 of 10)	7/11	<u>8,500,000</u>
		<u>25,197,500</u>
Refinancing Transaction:		
2012 Prime Wines Corp.	04/12	6,975,000
2012 Village Park Assoc., LLC	05/12	<u>405,737</u>
		<u>7,380,737</u>
Total 2012 Projects		<u>\$ 80,108,539</u>

## APPENDIX B1



TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

12/31/2012'

<u>PROJECT NAME</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Outstanding at 1/1/2012</u>	<u>Issued 2012</u>	<u>Paid 2012</u>	<u>Outstanding at 12/31/2012</u>	<u>Maturity Date</u>
6363 Main Street, Inc.	November-94	8.67%	9,629,907	-	691,487	8,938,420	December-19
Beechwood Health Care Center	January-07	5.20%	13,210,000	-	515,000	12,695,000	December-36
BSS Realty, LLC	March-00	6.61%	275,544	-	275,544	-	April-15
UBF Creekside Village	January-02	4.91%	11,896,798	-	11,896,798	-	March-32
UBFSA	April-02	5.50%	3,350,000	-	3,350,000	-	April-27
West College Park Associates, LLC	June-97	6.93%	5,994,132	-	1,537,242	4,456,890	May-17
			<u>\$ 44,356,381</u>	<u>\$ -</u>	<u>\$ 18,266,071</u>	<u>\$ 26,090,310</u>	

## APPENDIX C

TOWN OF AMHERST DEVELOPMENT CORPORATION

Schedule of Detailed Financing Activity  
Year ended December 31, 2012

Project Name	Date <u>Issued</u>	Bond <u>Amount</u>
UBF Creekside Village/Flint Village East	06/12	\$32,465,000

## APPENDIX C1

TOWN OF AMHERST DEVELOPMENT CORPORATION

12/31/2012'

<u>PROJECT NAME</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Outstanding at 1/1/2012</u>	<u>Issued 2012</u>	<u>Paid 2012</u>	<u>Outstanding at 12/31/2012</u>	<u>Maturity Date</u>
UBF Faculty Student Housing Corp - Hadley/Griener	May-10	4.67%	81,787,548	-	1,871,972	79,915,576	June-30
UBF Faculty Student Housing Corp - South Lake Village	August-10	3.92%/4.67%	23,510,000	-	475,000	23,035,000	September-30
Memorah Campus, Inc.	October-10	3.16%	12,060,000	-	480,000	11,580,000	November-25
Asbury Pointe, Inc.	December-11	Variable	7,990,000	-	1,580,000	6,410,000	February-35
YMCA Buffalo Niagara	December-11	Variable	18,000,000	-	2,534,025	15,465,975	June-33
Creekside Village/Flint Village East	June-12	Variable		32,465,000	300,000	32,165,000	May-34
			<u>\$ 143,347,548</u>	<u>\$ 32,465,000</u>	<u>\$ 7,240,997</u>	<u>\$ 168,571,551</u>	

## APPENDIX D

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY  
CODE OF ETHICS

Statement of Purpose:

The Code of Ethics is a public statement by the Agency that sets clear expectations and principles to guide practice and inspire professional excellence. The Agency believes a commonly held set of principles can assist in the individual exercise of professional judgment. This Code speaks to the core values of public accountability and transparency. The purpose of having a code of ethics and practices is to protect the credibility of the Agency by ensuring high standards of honesty, integrity, and conduct of staff. To that end, this Code of Ethics attempts to accomplish this by articulating the ethical standards observed by the Agency in pursuing and implementing economic development initiatives, and setting rules and policies that prevent conflicts of interest.

Rule with respect to conflicts of interest:

No officer, member of the board or employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her or her duties in the public interest.

Standards:

a. No officer, member of the board or employee should accept other employment which will impair his or her or her independence of judgment in the exercise of his or her or her official duties.

b. No officer, member of the board or employee should accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.

c. No officer, member of the board or employee should disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.

d. No officer, member of the board or employee should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others.

e. No officer, member of the board or employee should engage in any transaction as representative or agent of the Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

f. An officer, member of the board or employee should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her, unduly

enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

g. An officer or employee should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her, or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

h. An officer or employee should endeavor to pursue a course of conflict which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

i. No officer or employee employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer, member of the board or employee, should sell goods or services to any person, firm, corporation or association which receive financial assistance from the Agency.

j. If an officer or employee shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity which is the subject of an Agency Project (as such term is defined in Article 18-A of the General Municipal Law, he or she must file with Agency a written statement that he or she has such a financial interest in such activity which statement shall be open to public inspection.

k. No officer, member of the board or employee of shall accept or arrange for any loan or extension of credit from the Agency or any affiliate of the Agency.

#### Violations:

In addition to any penalty contained in any other provision of law any such officer, member of the board or employee who shall knowingly and intentionally violate any of the provisions of this Code of Ethics may be fined, suspended or removed from office or employment in the manner provided by law.