



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

2015 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 local development 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, 2015.

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.

2015 Accomplishments:

The AIDA approved 18 projects in 2015 totaling \$129,135,750 in private sector investment in the construction, renovation and equipping of 246,350 square feet. Upon completion of these projects, 63 new jobs will be created, 171 jobs retained and \$1,812,766 in new property taxes will be generated.

- Utilizing economic impact software to determine multiplier effects in the region, construction and supply jobs are supported, and \$10,401,779 in additional spending occurs due to construction and equipment investments and additional sales and property taxes generated.
- One redevelopment project was approved in 2015 in Town of Amherst designated Enhancement Area. The AIDA has approved 56 redevelopment projects totaling over \$230 million in new investment since 2000. These renovated, repurposed and expanded facilities will pay nearly \$20 million in new property taxes over the course of their PILOT periods.

Redevelopment and Repurposing Amherst's existing commercial properties poses the greatest challenge to Amherst's continued growth and prosperity. As users' space needs change due to market forces driven by their customers and employees, assisting building owners will become paramount to maintaining and growing taxable assessment.

Amherst Economic Assessment – The AIDA provided funding and worked with the Town Planning Department on issuing an RFP that would update the underlying economic data of the Comprehensive Plan. The winning consultant would also provide an analysis of market forces and make recommendations that will shape the scale, location and nature of development in the next 20 years. We received 6 responses to the RFP and chose Delta Associates. Due to a technical error, the consultant work was rebid and we expect to begin work in the second quarter of 2016.

Amherst Form Based Code – The AIDA worked in conjunction with the Town on selecting Code Studios from Austin, Texas, to modernize the existing codes into a hybrid based system, which allows an applicant to choose between traditional and form based code. The Town finalized the contract with New York State for the funding and is establishing a set of committees comprised of residents, businesses, community groups and development specialists. The AIDA is on the technical advisory committee and provided input to several of the committees. Work is expected to begin on this effort in March 2016.

Williamsville Redevelopment – As work is set to begin on the Main Street infrastructure improvement, the AIDA is continuing to work collaboratively with Village leaders on furthering initiatives under the Picture Main Street effort. Work is set to begin in March 2016 on branding the Village for retail enhancement opportunities to achieve the Community Plan's goal of raising the profile of the Village to other leading Villages across New York and Canada. Several sites along with demographic data contained in the Versel Main Street Corridor Market Study from 2013 is shaping this strategy. In addition to meeting with prospective investors in the Village, the AIDA is a funding partner in the branding effort.

Senior Housing – The AIDA worked with the Town and Village on developing further criteria and a scoring system for Market Rate Senior Housing Projects seeking AIDA inducement. After several years, the Uniform Tax Exemption Policy was modified to include an amendment to for profit market rate

housing for people 60-years of age and older. The AIDA's Amendment includes a scoring system that prioritizes the nine criteria a project is judged by, focusing on its walkability, connection to public transportation, and proximity to needed goods and services. The AIDA Board of Directors approved the Amended Policy in September 2015.

AIDA Economic & Fiscal Impact – The AIDA hired CGR to assess the fiscal impact of its projects since inception. It became clear early in the data gathering phase that a great deal of the records necessary to perform this analysis were in old paper files at Town Hall. Working with the assessor's office, we were able to compile the data that showed the significant increase in taxable assessment and collected property taxes generated by the reported on 287 projects. These \$2.5 billion in projects generate \$17 million annually in property taxes against a taxable assessment approaching \$700 million. Over 26,000 people are employed at these locations generating a payroll that exceeds \$1.6 billion.

Countywide Eligibility Policy – The AIDA worked with the IDAs of Erie County on drafting and approving an amendment to the Uniform Tax Exemption Policy for Market Rate Senior Housing that sets forth nine (9) criteria that a project is evaluated on in order to receive tax incentives. The AIDA prioritized and set a scoring system for projects seeking inducement in the Town of Amherst and Village of Williamsville.

Additionally, a Good Standing Tax Policy has been completed that requires applicants to disclose any unpaid property taxes on other owned properties in Erie County. Reciprocal agreement with neighboring counties is under exploration but initial conversations indicate that this is not a priority for adjoining counties. This policy will be evaluated by the AIDA in 2016 for implementation.

James Allen, AIDA Executive Director, continued his position on the Erie County IDA Policy Committee and as Chair of the IDA Leadership Council, allowing for continued input at the formulation stage of new or revised policies.

NYS Economic Council Best Practices – The AIDA continued to work with the statewide economic organization on developing best practices in areas of recapture of benefits and annual reporting of employment and other information by applicants. This work was a precursor to legislation advanced by the NYS Comptroller and signed into law at the end of 2015 that requires a new set of reporting and applicant information. Implementation of a number of transparency and application requirements will be done in the first half of 2016.

Coalition for Community Building – The AIDA continues to work with a diverse set of groups on pending IDA and other significant legislation or regulation that would impact its ability to undertake economic development that is critical to its community. At the forefront of the IDA focus, is continuing to educate decision makers on the effective role that an IDA performs in redevelopment and promoting economic development.

Amherst-Buffalo Transit Study - The AIDA sits on the advisory committee for the study of improved transit options linking population and employment centers along the Amherst-Buffalo corridor. A series of public meetings were held in 2015 presenting technical alternatives of linking SUNY Buffalo's South Campus with its North Campus and on to Cross Point Business Park. What became clear in 2015 is the

need to attach an economic rationale to the preferred options that focused on infrastructure necessary to implement light rail, bus rapid transit or enhanced bus service. A federal grant was secured by the NFTA to look at development impacts, positive and negative, of each alternative in the preferred corridors.

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, 2015 and 2014 are included as Appendix A.

The financial statements are audited on an annual basis, by AIDA's and ADC's external auditors, The Bonadio Group. In their opinion, the financial statements present fairly, in all material aspects, the financial position of the AIDA and the ADC as of December 2015 and 2014, 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 2015

Appendix B lists the projects undertaken by the AIDA in fiscal year 2015.

Schedule of Bonds and Notes Outstanding

Appendix B1 summarizes the AIDA's bonds and notes outstanding at December 31, 2015. 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 2015

Appendix C lists the projects undertaken by the Amherst Development Corporation in fiscal year 2015. The Amherst Development Corporation completed no projects for 2015.

Schedule of Bonds and Notes Outstanding

Appendix C1 summarizes the ADC's bonds and notes outstanding at December 31, 2015. 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 2015:

<u>Name</u>	<u>Title</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
James J. Allen	Executive Director/ CEO/CFO	\$183,374	\$33,904	\$214,008
David S. Mingoia	Deputy Director	\$104,003	\$28,078	\$132,081

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 2015:

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 2016.

The AIDA and ADC did not dispose of any real property with a FMV in excess of \$15,000 during 2015.

It should be noted that the above listing excludes the approximate 111 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.

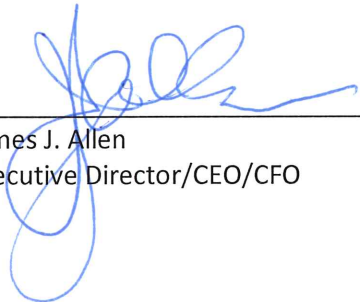
In addition, the Town of Amherst Industrial Development Agency and the Town of Amherst Development Corporation engage external law firms to ensure compliance with applicable laws, regulations, contracts, grants and policies.

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, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,898,348	\$ 1,794,290
Accounts receivable	128,240	38,435
Prepaid expenses	<u>4,864</u>	<u>5,049</u>
Total current assets	<u>2,031,452</u>	<u>1,837,774</u>
CAPITAL ASSETS, NET	<u>656,400</u>	<u>680,816</u>
NOTES RECEIVABLE, RELATED PARTY	<u>50,000</u>	<u>50,000</u>
RESTRICTED ASSETS:		
Restricted for future industrial development loans	42,304	82,322
Cash restricted for mortgage escrow	<u>64,936</u>	<u>64,935</u>
Total restricted assets	<u>107,240</u>	<u>147,257</u>
Total assets	<u>2,845,092</u>	<u>2,715,847</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	20,000	10,417
Due to U.S. Treasury Department	4	13
Current portion of mortgage payable	<u>44,561</u>	<u>41,972</u>
Total current liabilities	64,565	52,402
MORTGAGE PAYABLE, less current portion	<u>473,905</u>	<u>518,689</u>
Total liabilities	<u>538,470</u>	<u>571,091</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	137,934	120,155
RESTRICTED	107,240	147,257
UNRESTRICTED	<u>2,061,448</u>	<u>1,877,344</u>
Total net position	<u>\$ 2,306,622</u>	<u>\$ 2,144,756</u>

The accompanying notes are an integral part of these statements.

TOWN OF AMHERST DEVELOPMENT CORPORATION

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 6,121	\$ 6,671
Current portion of notes receivable, net	<u>16,344</u>	<u>16,181</u>
Total current assets	22,465	22,852
NOTES RECEIVABLE, less current portion	12,376	28,720
INVESTMENTS	<u>25,000</u>	<u>25,000</u>
Total assets	<u>\$ 59,841</u>	<u>\$ 76,572</u>
LIABILITIES		
CURRENT PORTION OF NOTE PAYABLE	<u>\$ 16,344</u>	<u>\$ 16,181</u>
Total current liabilities	<u>16,344</u>	<u>16,181</u>
NOTE PAYABLE - related party	50,000	50,000
NOTE PAYABLE, less current portion	<u>12,376</u>	<u>28,720</u>
Total liabilities	78,720	94,901
UNRESTRICTED NET ASSETS (DEFICIT)	<u>(18,879)</u>	<u>(18,329)</u>
Total liabilities and net assets (deficit)	<u>\$ 59,841</u>	<u>\$ 76,572</u>

The accompanying notes are an integral part of these statements.

APPENDIX B

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

**SCHEDULE OF DETAILED FINANCING ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Date Issued</u>	<u>Basis for Computing Administrative Fees</u>
LEASE AGREEMENTS:		
Columbus McKinnon	3/15	\$ 6,048,055
445 Creekside Drive, LLC	5/15	2,610,000
10 Curtwright Drive, LLC	6/15	3,023,581
RAS Development Co.	6/15	8,175,000
Capital Senior Mgmt 2, Inc. Ventas Amberleigh, LLC	8/15	6,247,000
Blackrock, Inc.	10/15	32,143,689
2150 Wehrle Drive, LLC	11/15	2,700,000
5933 Main Street, LLC	11/15	<u>9,150,000</u>
		<u>70,097,325</u>
REFINANCING TRANSACTIONS:		
Iskalo Office Holdings III, LLC	6/15	1,957,982
60 Pineview Drive, LLC	6/15	750,000
Fox Creek Estates II, LLC/Fox Creek Apartments	7/15	3,844,360
Iskalo 8600 Transit, LLC	8/15	730,000
Brompton Heights, Inc.	12/15	18,325,000
Uniland Dev. I, LLC – 540 CrossPoint Pkwy.	12/15	<u>3,236,955</u>
		<u>28,844,297</u>
INSTALLMENT SALES:		
BlackRock - Tech.	8/15	<u>32,800,000</u>
Total 2015 Projects		<u>\$ 131,741,622</u>

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

12/31/2015'

<u>PROJECT NAME</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Outstanding at 1/1/2015</u>	<u>Issued 2015</u>	<u>Paid 2015</u>	<u>Outstanding at 12/31/2015</u>	<u>Maturity Date</u>
6363 Main Street, Inc.	November-94	8.67%	7,724,420	-	625,000	7,099,420	December-19
Beechwood Health Care Center	January-07	4.55%	11,585,000	-	600,000	10,985,000	December-36
			<u>\$ 19,309,420</u>	<u>\$ -</u>	<u>\$ 1,225,000</u>	<u>\$ 18,084,420</u>	

APPENDIX C

TOWN OF AMHERST DEVELOPMENT CORPORATION

There were no Bonds/Project Issued for Fiscal Year 2015

TOWN OF AMHERST DEVELOPMENT CORPORATION

12/31/2015'

<u>PROJECT NAME</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Outstanding at 1/1/2015</u>	<u>Issued 2015</u>	<u>Paid 2015</u>	<u>Outstanding at 12/31/2015</u>	<u>Maturity Date</u>
UBF Faculty Student Housing Corp - Hadley/Griener	May-10	4.67%	76,045,000	-	2,035,000	74,010,000	June-30
UBF Faculty Student Housing Corp - South Lake Village	August-10	3.92%/4.67%	21,995,000	-	565,000	21,430,000	September-30
Menorah Campus, Inc.	October-10	3.16%	10,010,000	-	4,045,000	5,965,000	November-25
Asbury Pointe, Inc.	December-11	3.25%	6,410,000	-	-	6,410,000	February-35
YMCA Buffalo Niagara	December-11	Variable	15,465,975	-	-	15,465,975	June-33
Creekside Village/Flint Village East	June-12	Variable	30,725,000	-	775,000	29,950,000	May-34
Asbury Point, Inc.	July-13	3.82%	4,790,420	-	273,728	4,516,692	January-37
			<u>\$ 165,441,395</u>	<u>\$ -</u>	<u>\$ 7,693,728</u>	<u>\$ 157,747,667</u>	

APPENDIX D

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
TOWN OF AMHERST DEVELOPMENT CORPORATION
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 conduct 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 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.