

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

2018 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, 2018.

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.

2018 Accomplishments:

Authority Mission Statement and Performance Measurements-2018 Report

Name of Public Authority: Town of Amherst Industrial Development Agency (AIDA)

Mission Statement: To promote economic diversity and quality employment opportunities, 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.

Date Reaffirmed: March 29, 2019

List of Performance Goals:

Goal #1: Increase private investment and employment opportunities

Measured by: (1) Value of new private investments from tax incentives for new and existing Town of Amherst companies; (2) New and retained employment opportunities for new and existing Town of Amherst companies

In 2018, 71 active AIDA projects produced a total of 13,215 new and retained jobs. On a “cost” per job basis, \$744 in tax incentives was provided for every job retained or created. These projects totaled \$9,836,947 in total exemptions in 2018.

A full accounting of the entire *AIDA Portfolio* can be found in Appendix A of this report.

The projects listed below were approved and/or had active investment in 2018.

Lease Transaction

	<u>Approved</u>	<u>Investment</u>	<u>2018 Activity</u>
2500 Kensington, LLC/Shatkin FIRST Underway	4/17	\$ 5,509,279	Investment
Strategic Financial Solutions Complete	12/18	\$ 1,150,000	Project
Bureau Veritas Building Expansion Begun	8/17	\$ 6,975,000	Construction
Cubic Transportation Systems Underway	12/18	\$ 1,150,000	Investment
Northtown Center Tourism Hotel Underway	7/18	\$14,375,537	Construction

Installment Sales

Bureau Veritas Consumer Underway	8/17	\$ 2,140,000	Investment
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BlackRock – Tech. Investment	8/14	\$32,800,000	Annual
M & T Bank Data Ctr. – Tech. Investment	7/11	\$85,000,000	Annual
Ingram Micro, Inc. Complete	7/13	\$11,000,000	Project

2nd Mortgage Transaction

Iskalo 5000 Main LLC	2/18	\$ 820,000	Closed
Iskalo 5010 Main LLC	5/18	\$ 1,180,000	Closed
RHDK Enterprises	5/18	\$ 1,432,000	Closed

Mortgage Refinancing

Uniland Partnership	2/18	\$ 401,278	Closed
Iskalo Office Holdings	8/18	\$ 1,059,333	Closed
Prime Wine Corp.	12/18	\$ 69,220	Closed

Lease or Project Modifications

1097 Group LLC of Premises	5/18	1350 Eggert Road – Partial Release
3500 Sheridan Drive LLC	10/18	Assignment of Sublease
45 Bryant Woods LLC	11/18	Merger of Company

Goal #2: Support Projects that increase taxable assessment and generate new property taxes

The AIDA conveyed title on three properties in 2018 with a combined taxable assessment over \$6.8 million. Now fully taxed, these projects will pay an estimated \$185,030 in Town, County and School taxes based on 2018 tax rates. We know from previous analysis, that AIDA assisted properties continue to increase in value after a PILOT expires. A listing of these three properties is at the end of this report.

In addition to these taxes, the AIDA currently has 75 properties under PILOT, which generated nearly \$6 million in tax payments broken down as follows:

Town	\$785,002
County	\$848,445
Village	\$11,431
Special Districts	\$669,808
School Districts	<u>\$3,598,022</u>
TOTAL	\$5,912,708

Goal #3: Implement Agency Policy and Practices that improve operations and advance its Mission

Measured by: Number and value of improvements to advance operation and Mission of the AIDA.

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1. Shared Services Agreement – Modified the existing agreement between the AIDA and ADC that would allow retention of funds in the ADC, pending reimbursement of expenses performed by the AIDA and its staff.

Goal #4: Support implementation of economic development initiatives that maintain and enhance a high quality living environment in the Town of Amherst, Village of Williamsville and the Region

Measured by: (1) Number of meaningful collaborative efforts with Town of Amherst, Village of Williamsville and Region on development initiatives.

1. Boulevard Mall/Opportunity Zone (OZ) - Amherst's OZ is a large triangular geography encompassing approximately 900 acres that begins at the nexus of Niagara Falls Boulevard and the I-290 and spreads South and East until the North side of Sheridan Drive. Planning work commenced in 2018 including developing a scope for Generic Environmental Impact Statement for this entire area that would pre-permit a mix of uses and intensity of development and define a list of financial incentives that spurs the kind of change envisioned in the comprehensive plan and zoning changes under consideration. This area as well as Niagara Falls Boulevard North of the OZ, was the focus of a Congress for New Urbanism Event supported by the Agency.
2. Downtown Revitalization Grant - The AIDA collaborated with the Town on seeking a \$10 million State grant for infrastructure in Eggertsville, specifically the area from the Boulevard Mall to Kenmore Avenue. A menu of funding within the grant request ranged from sewer upgrades including green infrastructure, to sidewalk and streetscape improvements, including the reintroduction of streets into the current shopping plazas. A video was developed to strengthen the application.
3. Amherst Central Park/Local Waterfront Revitalization Plan – The AIDA is on the steering committee that overseeing a state land use process centered on protecting and defining land use on waterfront property. Included in the study area are lands along Tonawanda Creek, the Erie Canal, Audubon and Northtown Center, and the former Westwood Country Club. The committee completed a series of tours and finalized a public participation plan and a summary of findings.

4. Countywide Eligibility Policy – The AIDA, in conjunction with the other five (5) IDAs in Erie County, developed a working draft that reflects changes required by NYS Statute. This effort is expected to result in a final document in 2019.
5. Amherst Rezoning Project – The AIDA is on the Technical Advisory Committee modernizing the zoning of commercial centers and nodes through the Town of Amherst. After a reset of the project, work is expected to be completed in 2019.
6. Adaptive Reuse Policy Review – The AIDA participated on a steering committee that reviewed the Erie County IDAs Adaptive Reuse Policy, which will impact that section of the Countywide Policy. The focus expanded to housing as a component or stand-alone of a redevelopment project in 2018.
7. Amherst-Buffalo Transit Study - The AIDA sits on the advisory committee for this effort. The preferred option details an underground route from the South Campus Station emerging on Niagara Falls Boulevard and traveling above ground to Maple Road, SUNY Amherst and terminating at the I-990. Visuals and public outreach meetings by the NFTA occurred. An Environmental Review has begun and is expected to be completed in 2019.

PROPERTIES OUT OF AIDA AND ON TAX ROLLS IN 2018

<u>Address</u>	<u>Current Assessed Value</u>
3650 Millersport Hwy.	\$4,380,000
168 Creekside Drive	\$1,400,000
59 John Glenn Drive	<u>\$1,030,000</u>
	\$6,810,000

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, 2018 and 2017 are included as Appendix B.

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 2018 and 2017, 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 2018

Appendix C lists the projects undertaken by the AIDA in fiscal year 2018.

Schedule of Bonds and Notes Outstanding

Appendix C1 summarizes the AIDA’s bonds and notes outstanding at December 31, 2018. 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 2018

Appendix D lists the projects undertaken by the Amherst Development Corporation in fiscal year 2017. The Amherst Development Corporation completed three projects for 2018.

Schedule of Bonds and Notes Outstanding

Appendix D1 summarizes the ADC’s bonds and notes outstanding at December 31, 2018. 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 individual had a salary exceeding \$100,000 during 2017:

<u>Name</u>	<u>Title</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
David S. Mingoia	CEO/CFO Executive Director	\$120,000	\$31,007	\$151,007

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 2018:

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 2019.

The AIDA and ADC did not dispose of any real property with a FMV in excess of \$15,000 during 2018.

It should be noted that the above listing excludes the approximate 75 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 E.

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.



David S. Mingoia
Executive Director/CEO/CFO

APPENDIX A

APPENDIX B

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the Town of Amherst, New York)

STATEMENTS OF NET POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,577,843	\$ 1,678,763
Accounts receivable	-	45,000
Accounts receivable - related party	-	29,620
Prepaid expenses	<u>5,027</u>	<u>5,027</u>
Total current assets	1,582,870	1,758,410
CAPITAL ASSETS, NET	585,338	610,987
NOTES RECEIVABLE, RELATED PARTY	50,000	50,000
RESTRICTED CASH	<u>64,378</u>	<u>64,343</u>
Total assets	<u>2,282,586</u>	<u>2,483,740</u>
LIABILITIES		
CURRENT LIABILITIES:		
Due to Erie County Industrial Development Agency	223,504	-
Accounts payable and accrued expenses	922	49,371
Current portion of mortgage payable	<u>53,325</u>	<u>50,227</u>
Total current liabilities	277,751	99,598
MORTGAGE PAYABLE, less current portion	<u>322,371</u>	<u>375,932</u>
Total liabilities	<u>600,122</u>	<u>475,530</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	209,642	184,828
RESTRICTED	64,378	64,343
UNRESTRICTED	<u>1,408,444</u>	<u>1,759,039</u>
Total net position	<u>\$ 1,682,464</u>	<u>\$ 2,008,210</u>

TOWN OF AMHERST DEVELOPMENT CORPORATION
(A Blended Component Unit of the Town of Amherst, New York)

STATEMENTS OF NET POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 142,832	\$ 35,833
Total current assets	142,832	35,833
INVESTMENTS	<u>5,000</u>	<u>5,000</u>
Total assets	<u>147,832</u>	<u>40,833</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable - related party	\$ -	\$ 29,620
Total current liabilities	-	29,620
NOTE PAYABLE - related party	<u>50,000</u>	<u>50,000</u>
Total liabilities	50,000	79,620
NET POSITION		
UNRESTRICTED (DEFICIT)	<u>97,832</u>	<u>(38,787)</u>
Total net position	<u>\$ 97,832</u>	<u>\$ (38,787)</u>

APPENDIX C

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF DETAILED PROJECT ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2018

The projects listed below were approved and/or had active investment in 2018.

Lease Transaction	<u>Approved</u>	<u>Investment</u>	<u>2018 Activity</u>
2500 Kensington, LLC/Shatkin FIRST	4/17	\$ 5,509,279	Investment Underway
Strategic Financial Solutions	12/18	\$ 1,150,000	Project Complete
Bureau Veritas Building Expansion	8/17	\$ 6,975,000	Construction Begun
Cubic Transportation Systems	12/18	\$ 1,150,000	Investment Underway
Northtown Center Tourism Hotel	7/18	\$14,375,537	Construction Underway
Installment Sales			
Bureau Veritas Consumer	8/17	\$ 2,140,000	Investment Underway
BlackRock – Tech.	8/14	\$32,800,000	Annual Investment
M & T Bank Data Ctr. – Tech.	7/11	\$85,000,000	Annual Investment
Ingram Micro, Inc.	7/13	\$11,000,000	Project Complete
2nd Mortgage Transaction			
Iskalo 5000 Main LLC	2/18	\$ 820,000	Closed
Iskalo 5010 Main LLC	5/18	\$ 1,180,000	Closed
RHDK Enterprises	5/18	\$ 1,432,000	Closed
Mortgage Refinancing			
Uniland Partnership	2/18	\$ 401,278	Closed
Iskalo Office Holdings	8/18	\$ 1,059,333	Closed
Prime Wine Corp.	12/18	\$ 69,220	Closed
Lease or Project Modifications			
1097 Group LLC	5/18	1350 Eggert Road – Partial Release of Premises	
3500 Sheridan Drive LLC	10/18	Assignment of Sublease	
45 Bryant Woods LLC	11/18	Merger of Company	

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

12/31/2018'

PROJECT NAME

6363 Main Street, Inc.

Date of Issue	Interest Rate	Outstanding at 1/1/2018	Issued 2018	Paid 2018	Outstanding at 12/31/2018	Maturity Date
November-94	8.67%	5,774,420	-	865,000	4,909,420	April-20
		\$ 5,774,420	\$ -	\$ 865,000	\$ 4,909,420	

APPENDIX D

TOWN OF AMHERST DEVELOPMENT CORPORATION

**SCHEDULE OF DETAILED PROJECT ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2018**

The project listed below was approved and/or had active investment in 2018.

TAX EXEMPT BOND ISSUE	<u>Approved</u>	<u>Investment</u>	<u>2018 Activity</u>
Daemen College	5/18	\$28,600,000	Closed

TOWN OF AMHERST DEVELOPMENT CORPORATION

12/31/2018'

PROJECT NAME

<u>PROJECT NAME</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Outstanding at 1/1/2018</u>	<u>Issued 2018</u>	<u>Paid 2018</u>	<u>Outstanding at 12/31/2018</u>	<u>Maturity Date</u>
UBF Faculty Student Housing Corp - South Lake Village	August-10	3.92%/4.67%	20,230,000	-	700,000	19,530,000	September-30
Asbury Pointe, Inc.	December-11	3.25%	6,410,000	-	-	6,410,000	February-35
YMCA Buffalo Niagara	December-11	Variable	14,513,480	-	824,837	13,688,643	June-33
Creekside Village/Flint Village East	June-12	Variable	28,389,500	-	834,500	27,555,000	May-34
Asbury Point, Inc.	July-13	3.82%	3,936,256	-	311,058	3,625,198	January-37
Beechwood Health Care Center, Inc.	September-17	2.72%	9,431,250	-	869,583	8,561,667	October-42
UBF Faculty Student Housing Corp - Hadley Griener	October-17	3.48%	65,305,000	-	2,360,000	62,945,000	November-47
Summit Center, Inc.	December-17	Variable	5,900,000	-	167,813	5,732,187	January-43
Daemen College	May-18	4.33%	-	28,600,000	-	28,600,000	June-48
			<u>\$ 154,115,486</u>	<u>\$ -</u>	<u>\$ 6,067,791</u>	<u>\$ 176,647,695</u>	

APPENDIX E

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

CODE OF ETHICS

ARTICLE I

Statement of Purpose

The Code of Ethics (this “Code”) 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 articulates the ethical standards to be observed by the Agency in pursuing and implementing economic development initiatives, and it sets rules and policies that prevent conflicts of interest.

ARTICLE II

Conflicts of Interest

No officer, member of the Agency’s Board of Directors (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. Officers, Board members and employees are directed to review the Agency’s Conflict of Interest Policy for further guidance.

ARTICLE III

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 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, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources of the Agency for private business or other compensated non-Agency purposes.

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, member of the Board 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, member of the Board 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, member of the Board 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, Board member or employee, should sell goods or services to any person, firm, corporation or association which receives financial assistance from the Agency.

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

ARTICLE IV

Gifts

Pursuant to and in accordance with Section 805-a(1) of the General Municipal Law, no member, director, officer or employee of the Agency shall directly or indirectly, solicit any gift, or accept or receive any gift having a value of seventy-five dollars or more under circumstances in which it could reasonably be inferred that the gift was intended to influence such individual, or could reasonably be expected to influence such individual, in the performance of the individual's official duties or was intended as a reward for any official action on the individual's part.

ARTICLE V
Implementation and Ethics Officer

This Code shall be provided to all members, directors, officers and employees upon commencement of employment or appointment and shall be reviewed annually by the Agency's Governance Committee.

The Finance & Audit Committee Chair shall serve as the Ethics Officer of the Agency, unless the Board designates by resolution a different officer, member or employee of the Agency to serve as the Ethics Officer. The Ethics Officer shall report to the Board and shall have the following duties:

- Counsel in confidence Board members, officers and employees who seek advice about ethical behavior and potential conflicts of interest;
- Receive and investigate complaints about possible ethics violations;
- Dismiss complaints found to be without substance; and
- Prepare an investigative report of his or her findings for action by the Executive Director or the Board.

ARTICLE VI
Violations

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

ARTICLE VII
Reporting Unethical Behavior

Board members, officers and employees are required to report possible unethical behavior by a Board member, officer or employee of the Agency to the Ethics Officer. Board members, officers and employees may file ethics complaints anonymously and are protected from retaliation as provided in the Agency's Whistleblower Policy.

ARTICLE VIII
Whistleblower Policy

In accordance with Section 2824(1)(e) of the Public Authorities Law, the Agency has adopted a Whistleblower Policy to afford certain protections to individuals who, in good faith, report violations of this Code or other instances of potential wrongdoing within the Agency. The Whistleblower Policy provides Board members, officers, employees and Agency volunteers with a confidential means to report credible allegations of misconduct, wrongdoing or unethical

behavior and to protect those individuals, when acting in good faith, from personal or professional retaliation. The Whistleblower Policy is provided and is accessible to all Board members, officers, employees and volunteers of the Agency and is reviewed annually by the Agency's Governance Committee.