

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 468th Meeting
May 22, 2015 – 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:	Edward F. Stachura Aaron Stanley E. Marshall Wood, Jr. Carlton Brock Steven Sanders Michele Marconi James Allen, Executive Director Nathan Neill, Esq.
EXCUSED:	Fredrick A. Vilonen
GUESTS:	AIDA Staff Jim Fink, Business First Dave Tytka, Uniland Development Rob Savarino, RAS Development Matt Roland, Iskalo Development David Chiazza, Iskalo Development Allan Steinberg, 445 Creekside, LLC Martin Clifford, Esq, 445 Creekside, LLC

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

MINUTES

The minutes of the March 2015 meeting were approved as presented.

BILLS & COMMUNICATIONS

(For Informational Purposes) – The Agency received the Annual Examination Report from the Town of Amherst Comptroller’s Office. The Report states that AIDA 2015 PILOTs have been calculated correctly based on the contractual requirements and assessed value of record with the Town of Amherst and are remitting the proper amounts to the Comptroller’s Department *(report is attached)*.

TREASURER’S REPORT

The Treasurer’s Report for March, 2015 and April 2015 was approved as presented.

PUBLIC COMMENT

There was no public comment at this meeting.

EXECUTIVE DIRECTOR’S REPORT

Executive Director Allen reported that the CGR Study on AIDA projects, taxes and employment should be ready for presentation by July. He noted that data collection took longer than anticipated, but that it was now complete.

Mr. Allen also informed the board that the NYS Comptroller's 2013 Report on IDA Activity in NYS was released earlier in the week. Mr. Allen noted that the Amherst IDA rated fourth in NYS in terms of net job creation.

Mr. Allen also informed the board that at the request of the Amherst Town Board, a Task Force had been formed to review the proposed Senior Housing Policy as developed by the ECIDA. Steven Sanders, AIDA board member and Amherst Town Board member chairs the committee. Mr. Sanders informed the AIDA board that the committee has met twice. He noted that they are working on customizing the proposed Senior Housing Policy in order to meet the needs of the Town of Amherst and its residents.

NEW BUSINESS

I. Authorization Resolution – Refinancing

ISKALO OFFICE HOLDINGS II, LLC- The Company is requesting authorization to refinance and consolidate the mortgages on its project located at 2410 North Forest Road. 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 and authorized a third mortgage in the amount of \$2,800,000 in November 2010. The applicant is now requesting consolidating these mortgages into a \$17,500,000 permanent mortgage and a \$1,500,000 mortgage for construction finishes for a total amount of \$19,000,000. The additional proceeds will fund the remaining hard costs related to the project to complete the build-out of the remaining vacant space on the 2nd floor and to refinance the existing debt which reaches maturity in June 2015. The project may realize an additional \$76,562.50 in sales tax exemption and \$10,000 in mortgage tax exemption.

The project consisted of the construction and equipping of an 80,000 square foot, multi-tenant office facility and was authorized in 2006. The building is LEED Silver Certified.

The PILOT, which began in 2013, will not be affected by this transaction. It expires in 2022.

After a discussion centering on the amount of time it takes for a project to be completed and upon a motion by Aaron Stanley, seconded by Marshall Wood, a vote of no by Michele Marconi, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE THE EXECUTION AND DELIVERY OF A MORTGAGE AND MORTGAGE CONSOLIDATION AGREEMENT AND A BUILDING LOAN MORTGAGE FOR A COMBINED PRINCIPAL AMOUNT OF \$19,000,000 AND AN AMENDED AND RESTATED LEASE AGREEMENT IN CONNECTION WITH THE REFINANCING OF THE 2008 2410 NORTH FOREST ROAD PROJECT AND TO COMPLETE BUILD-OUT OF THE SECOND FLOOR, AND FURTHER AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH.

II. Amendment to Authorization Resolution

RAS DEVELOPMENT COMPANY-80 Meyer Road Project – The Company is requesting an amendment to their authorization resolution of August 15, 2014. The amendment would increase the project value from \$9,714,040 to the mortgage amount of \$10,478,048. The applicant states that after receiving the most recent project estimates, it was realized that the costs would exceed \$9,714,040.

The project consisted of the construction and equipping of a 118,835 square foot, 101 unit, 4-story apartment building for senior citizens. The project is located at 70-80 Meyer Road and is within the Sweet Home Central School District.

After a discussion centering on underestimated project costs, and upon a motion by Marshall Wood, seconded by Aaron Stanley, a vote of no by Michele Marconi, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AMEND THE PRIOR RESOLUTION ADOPTED ON AUGUST 15, 2014 AUTHORIZING RAS DEVELOPMENT I, LLC OR A SINGLE PURPOSE LIMITED LIABILITY COMPANY TO BE FORMED, NOW KNOWN AS 80 MEYER ROAD LLC (THE "LESSEE") TO ACQUIRE APPROXIMATELY 3.22 ACRES OF REAL PROPERTY LOCATED AT 70, 74 AND 80 MEYER ROAD, TO CONSTRUCT OF AN APPROXIMATELY 118,835 SQUARE FOOT 101 UNIT 4-STORY APARTMENT BUILDING FOR SENIORS CAPABLE OF INDEPENDENT LIVING AND TO ACQUIRE AND INSTALL MACHINERY, EQUIPMENT, FURNITURE AND FIXTURES REQUIRED IN CONNECTION THEREWITH, ALL FOR A SENIOR HOUSING FACILITY, FOR LEASE TO THE AGENCY AND SUBLEASE BACK TO THE LESSEE FOR RENTAL TO QUALIFIED SENIORS TO INCREASE THE PROJECT COST FROM \$9,714,040 TO \$10,478,048 AND THE AUTHORIZED AMOUNT OF THE MORTGAGE FROM \$9,714,040 TO \$10,478,048.

III. Authorization Resolution

Project Applicant

445 Creekside Drive, LLC
1888 Niagara Falls Blvd.
Tonawanda, NY 14150
Allan B. Steinberg (sole member)

Project Address

445 Creekside Drive
Amherst, NY 14228

Project Eligibility

- The purposes of an industrial development agency shall be to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities per Section 858 of General Municipal Law.
- The project is eligible under the Countywide Eligibility Policy – **NAICS 4236** – Wholesale Trade.
- The project complies with the Town of Amherst Comprehensive Plan as it maintains and grows the tax base through a high quality development that includes job creation.

Project Summary

The applicant is requesting authorization for a \$2,900,000 lease transaction for the construction and equipping of a 68,450 square foot high-bay office, warehouse, distribution and light manufacturing facility together with related site improvements to the project site. The project is located at 445 Creekside Drive, within the Sweet Home Central School District.

The project is located in the Audubon Industrial Park, which was established in the 1960's and is substantially built-out. There are few developable sites in the Industrial Park which could be used to construct a modern high-bay warehouse/distribution/light manufacturing facility of the size contemplated by the Project.

Construction of the project on a spec basis is warranted because of the lack of available warehouse/light manufacturing/distribution space within the region and within the Town. As set forth in the *CBRE Marketview, Buffalo Industrial, Q4 2014 report*, the availability rate continues to decline in the Greater Buffalo Industrial Market for manufacturing and warehouse space, and remains below the national average. More specifically, the 2015Q1 Co-Star Industrial Report for the Buffalo/Niagara Fall market indicates the warehouse vacancy rate for the north towns market is 3.8% and industrial vacancy rate for the north towns market is 4.1%. Additionally, the Buffalo Niagara Enterprise has fielded 15 inquiries in the past 12 months for this type of modern high bay space from prospects interested in locating in the region.

Applicant states that AIDA assistance is necessary to make the project economically feasible. They state that there are significant risks and costs involved in constructing the facility and that the up-front costs involved in site preparation and building shell construction are significant and that carrying costs of this spec project, once the building has been completed make the project unfeasible without IDA assistance.

Employment

Employment is estimated at 11 new positions with an estimate \$350,000 in annual payroll.

PILOT Schedule

The project is eligible for the Agency's 7 year PILOT policy. During the abatement period, project will pay an estimated \$107,759 in property taxes; \$29,970 to the Town of Amherst, \$14,248 to Erie County and \$63,541 to the Sweet Home Central School District.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant will realize an estimated \$137,025 in sales tax savings, \$253,021 in property tax savings and \$29,000 in mortgage recording tax savings.

Recommendation

Approval

After a brief discussion and upon a motion by Steven Sanders, seconded by Marshall Wood and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AUTHORIZE 445 CREEKSIDE DRIVE, LLC (THE "LESSEE") TO ACQUIRE A PARCEL OF LAND AT 445 CREEKSIDE DRIVE IN THE TOWN OF AMHERST, TO CONSTRUCT A NEW APPROXIMATELY 68,450 SQUARE FOOT BACK OFFICE AND HIGH-BAY WAREHOUSE, DISTRIBUTION AND LIGHT MANUFACTURING FACILITY, FOR LEASE TO THE AGENCY AND SUBLEASE BACK TO THE LESSEE FOR SUB-SUBLEASE TO OTHER TENANTS.

9:07 am – Meeting adjourned.