

**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**  
**Agenda – 505<sup>th</sup> Meeting**  
**December 21, 2018-8:30 am**

**James J. Allen Boardroom**  
**Agency Offices – 4287 Main Street, Amherst, NY 14226**

1. Roll Call of Members
2. Reading and Approval of Minutes
3. Bills & Communications
4. Treasurer's Report
5. Public Comment
  - a. Speakers Limited to Three (3) Minutes
6. Executive Director's Report
7. Committee Reports
8. Unfinished Business
9. New Business
  - I. Extension of Audit Services
    - Bonadio Group
  - II. Strategic Financial Solutions, LLC
    - Request to amend Authorization Resolution
  - III. Cubic Transportation Systems
    - Authorization Resolution
10. Adjournment

**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**  
**Minutes of the 504<sup>th</sup> Meeting**  
**November 16, 2018, 2018 – 8:30 am**  
**James J. Allen Boardroom**  
**Agency Offices, 4287 Main Street**

PRESENT: Steven Sanders  
Michael R. Szukala  
William M. Tuyn  
Hon. Timothy J. Drury  
Philip Meyer  
Jacqueline Berger, Town Board Liaison  
David S. Mingoia, Executive Director  
Kevin J. Zanner, Hurwitz & Fine PC

ABSENT: Carlton N. Brock, Jr.  
E. Marshall Wood, Jr.

GUESTS: AIDA Staff  
David Tytko, Uniland Development Co.

Vice Chairman Steven Sanders called the meeting to order and reminded everyone that the meeting was being audio recorded.

**MINUTES**

The minutes of the September 2018 meeting were approved as presented.

**BILLS & COMMUNICATIONS**

There were no Bills & Communications presented at this meeting.

**TREASURER'S REPORT**

The Treasurer's Report for September and October 2018 were approved as presented.

**PUBLIC COMMENT**

There was no Public Comment at this meeting.

**EXECUTIVE DIRECTOR'S REPORT**

The report of the Executive Director is attached to these minutes.

8:36 am – Judge Drury entered the meeting.

**COMMITTEE REPORTS**

The Finance & Audit Committee presented the 2019 Budget Recommendations to the board for approval. The Committee reminded the board that, pursuant to the NYS Public Authorities Accountability Act, the Recommendations were forwarded to the Amherst Town Board and Amherst Town Clerk. The Committee noted that there were no comments received.

Michal Szukala made a motion to approve the 2019 Budget Recommendations. William Tuyn seconded the motion. After a brief discussion, votes of aye to approve the 2019 Budget Recommendations were made by Sanders, Szukala, Tuyn Drury and Meyer. Motion to approve passed 5-0.

#### **UNFINISHED BUSINESS**

There was no Unfinished Business presented at this meeting.

#### **NEW BUSINESS**

##### **I. Establish Nominating Committee for 2019**

Michael Szukala made a motion to approve the following slate of candidates for the 2019 Nominating Committee:

Michael Szukala, Chairman  
William Tuyn  
Philip Meyer

Philip Meyer seconded the motion. Votes of aye to approve the slate of candidates were made by Sanders, Szukala, Tuyn, Drury and Meyer. Motion to approve passed 5-0.

##### **II. New York State Requirements for Sexual Harassment Training and Prevention Policy**

Michael Szukala made a motion to approve the New York State Requirements for Sexual Harassment Training and Prevention Policy as presented. William Tuyn seconded the motion. Votes of aye to approve the Sexual Harassment Training and Prevention Policy were made by Sanders, Szukala, Tuyn, Drury and Meyer. Motion to approve passed 5-0.

9:02 am – meeting adjourned.

## Executive Director's Report

December 21, 2018

### Light Rail Revised

The NFTA published a new alignment for the proposed light rail option that exits UB South via an underground route that now emerges on Niagara Falls Blvd instead of traveling the roughly mile and a half under Bailey Ave. Early estimates are that this option saves an estimated \$200 million.

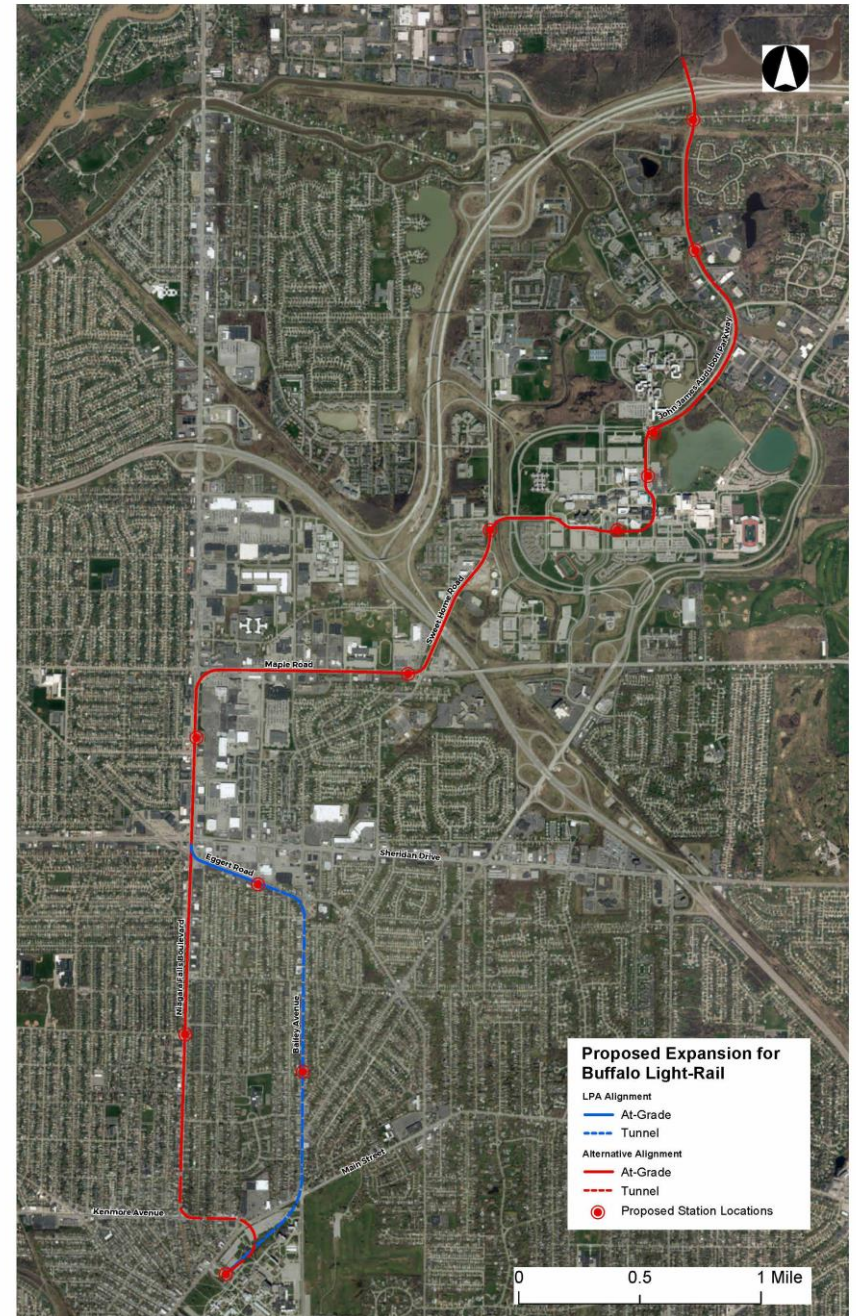
At a public open house on December 6<sup>th</sup>, the NFTA presented this option along with visuals of train integration into the right of way and a project schedule. Environmental Review and Conceptual Engineering is scheduled for 2019 and 2020. Final Design, Funding and Construction would begin in 2021 and be completed in 2025.

### Commercial Zoning Project

Several meetings of the Zoning Review Working Group occurred in the last month as we work towards providing a draft code for public review and comment by April 2019. Focus has shifted from reviewing suggested code from the consultant (Code Studios) to a review of the Village of Williamsville's code and modifying it to meet one of the new suburban or traditional designations for mainly shopping districts throughout the Town.

### AIDA 2019 Meeting Schedule

Included at the end of this report is a draft meeting schedule for 2019. Please review and let us know if there are any changes before our January meeting.



**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**

**EXECUTIVE COMMITTEE AND BOARD MEETING DATES**

**2019**

**EXECUTIVE COMMITTEE**

January 11, 2019

February 1, 2019

March 8, 2019

April 12, 2019

May 3, 2019

June 7, 2019

July 5, 2019

August 2, 2019

September 6, 2019

October 4, 2019

November 1, 2019

December 6, 2019

**BOARD MEETINGS**

January 25, 2019

February 15, 2019

March 29, 2019

April 26, 2018

May 17, 2019

June 21, 2019

July 19, 2019

August 16, 2019

September 20, 2019

October 18, 2019

November 15, 2019

December 20, 2019

**ALL MEETINGS BEGIN AT 8:30 AM  
AIDA OFFICES  
4827 MAIN STREET, AMHERST, NY 14226  
716.688.9000  
AmherstIDA.com**



# Proposal to Provide Professional Auditing Services November 2018

**Submitted to:**  
**Mr. David Mingoia**  
**Amherst Industrial Development Agency**  
4287 Main Street  
Amherst, NY 1426

**Submitted by:**  
**Randall R. Shepard, CPA**  
**Justin N. Reid, CPA, CHFP, Partner**  
**The Bonadio Group**  
100 Corporate Parkway, Suite 200  
Amherst, NY 14226  
Phone: 716-250-6600



**THE BONADIO GROUP**  
CPAs, Consultants & More

November 21, 2018

Mr. David Mingoia  
Amherst Industrial Development Agency  
4287 Main Street  
Amherst, New York 14226

Dear Dave:

As requested, this letter is to inform you of our proposed fees for the Amherst Industrial Development Agency's (the Agency) and Town of Amherst Development Corporation's (the Corporation) 2018, 2019, and 2020 audit engagements, as well as an option for 2 one-year extensions for 2021 and 2022. For purposes of this discussion, the "audit engagement" includes the Agency's financial statement audit, as well as the Development Corporation's financial statement audit and tax filings.

Based on historical experience with your organization, our professional experience, and the anticipated time required to complete the audit and reporting requirements, our fee estimates for the audit engagements for the following years ending December 31 are:

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Agency	\$ 7,750	\$ 7,900	\$ 8,050
Development Corp	<u>3,775</u>	<u>3,875</u>	<u>3,975</u>
Total	<u>\$ 11,525</u>	<u>\$ 11,775</u>	<u>\$ 12,025</u>

These fees are based on the current scope of services and requirements of the auditing profession. To the extent there are changes in either the scope of services requested, or in the regulations under which we operate, we will discuss these changes with you and arrive at a new fee estimate, if appropriate.

Increases for years 2021 and 2022 would be as follows:

	<u>2021</u>	<u>2022</u>
Agency	\$ 8,200	\$ 8,350
Development Corp	<u>4,075</u>	<u>4,175</u>
Total	<u>\$ 12,275</u>	<u>\$ 12,525</u>

100 Corporate Parkway  
Suite 200  
Amherst, New York 14226  
p (716) 250-6600  
f (716) 250-6605

[www.bonadio.com](http://www.bonadio.com)

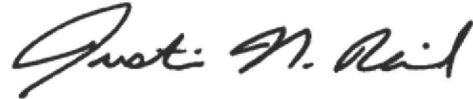
Amherst IDA and Development Corp  
November 21, 2018  
Page 2

We are available to discuss this in further detail at your convenience and look forward to the opportunity to continue to work with you and the Agency in the coming years. If you have any questions, please do not hesitate to contact me.

Very truly yours,  
BONADIO & CO., LLP



Randy Shepard  
Partner



Justin Reid  
Partner

ACKNOWLEDGMENT:

I agree to engage Bonadio & Co., LLP to perform the audit of the Agency and Development Corporation as of and for the years ending December 31, 2018, 2019 and 2020, as well as the option years 2021 and 2022 under the terms and conditions above, subject to execution of an engagement letter on an annual basis.

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Signature

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Date



## Background and Understanding

The Agency seeks a public accounting firm to provide audit and tax services. Bonadio is pleased to have the opportunity to continue to provide those services.

Based on our extensive experience in providing accounting and consulting services to hundreds of tax-exempt organizations, we have developed an understanding of your issues and needs, including:

- Personalized and responsive service.
- Increased interaction with our most experienced personnel, i.e., partners and managers.
- Completion of services in a timely and cost effective manner.
- Maximizing value for fees paid.

**Overall, our objectives are to:**  
**(1) demonstrate our depth of experience and capabilities;**  
**(2) affirm our ability to provide audit and tax services; and**  
**(3) provide the resources and expertise to help you achieve your objectives.**

We are particularly sensitive to your needs to maintain the highest possible quality of services and deliverables, yet we understand that cost is an issue. Our proposal has been organized to show you that we can deliver the highest quality and a diverse scope of services at reasonable rates.

The foundation of our success in serving you will be a function of our standards of quality and responsiveness; the scope, breadth, and integration of services we can deliver; and the combination of management and staff expertise we bring. It is these attributes that differentiate us from other firms. Ultimately, we want you to view us as a business asset, not an overhead cost.

## Our Approach

Our approach is designed to provide you with timely, efficient, high quality service at a reasonable cost.

In order to accomplish these objectives, we emphasize effective planning on each engagement. Planning includes: (1) review of prior year workpapers and financial statements, and any issues that may be pending related to accounting or financial reporting matters; (2) review of current year interim results of operations; (3) review of changes in information systems and processing routines, and (4) performance of interim audit procedures to reduce time at year-end. This information is discussed with you in advance and used as a basis to target our work to high-risk areas.

It also allows us to identify issues at the beginning of our work, prior to year-end. This approach provides the opportunity for the Agency to address issues, if necessary, while action is still possible.

Based on the results of our planning, we provide you with a list of information (account reconciliations and analysis) that will be required in order to effectively complete the audit. This is done before fieldwork begins to give you sufficient time to gather the information.

As a result of our work with other healthcare providers, we have significant experience auditing organizations that are funded by an array of federal and State agencies, as well as other third-party funders. Our knowledge, however, extends beyond traditional audit work, as we have also worked with our clients to prepare and/or analyze CFR cost reports, review service documentation, and prepare benchmark information for management use purposes. Bonadio's overall audit approach will be to focus our audit efforts on the most significant and material areas, and adherence to internal control policies and procedures.

Our objective, of course, is to develop sufficient evidential matter to support our opinion without becoming too granular and directing audit activities on insignificant or immaterial accounts.

## Our Approach (Continued)

After a significant investment, Bonadio has implemented systems and procedures, which make efficient use of technology as part of the audit process. Our paperless audit environment (ProSystems Fx Engagement) allows us to use information you provide in electronic form to minimize the time and cost associated with you having to provide us with paper copies of the data and support we need for our audit documentation. In addition, this process maximizes efficiency by allowing us to share information with our clients over a secure network. This use of technology in the audit process saves our clients and us time, money, and resources and allows us to focus on your specific business concerns and objectives. We also subscribe to on-line research tools to provide us real-time access to accounting pronouncements, professional standards, and regulatory information related to audit, accounting, regulatory, and tax matters.

With respect to your information systems, we incorporate into our audit approach procedures to obtain an understanding of your use of various systems and the related controls around them, whether they relate to general ledger, financial accounting, or other areas. Depending on our assessment of the level of risk in each audit area, our conclusions as to reliance on your systems, and other audit procedures we may employ (confirmations, for example), we may use data extraction software applications to audit items processed by your various systems.

### Overview of Our Audit Approach

#### Perform General Planning and Identify Areas of Audit Significance

- Establish client service and other planning objectives
- Update our understanding of your business and industry
- Perform overall assessment of the control environment
- Make preliminary judgments regarding materiality
- Determine significant accounts or groups of accounts
- Identify the sources of information that affect these accounts
- Prepare the audit planning memorandum
- Determine appropriate timing for performing each phase of the audit

#### Understand and Evaluate the Significant Sources of Information

- Identify the significant information and data processes
- Gain an understanding of the processes
- Consider what could go wrong (i.e., the types of errors)
- Identify and evaluate the relevant controls

#### Perform Risk Assessments

- Assess the likelihood of errors of audit significance in related accounts

#### Develop and Execute Audit Plan

- Develop the audit approach, including timing and scope of work for each significant account or group of accounts
- Prepare programs for tests of controls and substantive tests
- Perform tests of the relevant controls
- Perform substantive tests of account balances
- Make final evaluations based on the results of the tests

## Section 1 – Qualifications and Experience of the Firm, Partner and Staff

### Partner, Manager and Supervisory Staff Qualifications and Experience

In order to promote efficient service delivery, Bonadio proposes to have Justin Reid lead the engagement and serve as the audit partner. He will be assisted by Randy Shepard, advisory partner, and Kristen Clark, the quality control review partner.

More detailed biographies are included in the Appendix.

#### Your Bonadio Team

#### Justin Reid, CPA, CHFP

Role:  
Engagement Partner



Duties:

Justin is responsible for supervising the fieldwork performed by our team. Justin will also serve as a key liaison for our on-site field staff and me as it relates to job scheduling and coordination.

He is also the signing partner which means that he is ultimately responsible for the technical matters and all deliverables. In this way, Justin is the sole point of contact to ensure the consistent and timely delivery of every aspect of this account. All members of the team report to him.

#### Randy Shepard, CPA

Role:  
Advisory Partner



Duties:

Randy is responsible for the overall engagement relationship. Having served as Engagement Partner in the past, Randy's knowledge will assist the Engagement Team as needed.

#### Kristen Clark, CPA

Role:  
Quality Control Partner



Duties:

Kristen will be responsible for the second partner review and assisting as necessary on technical matters as they arise. Kristen and the entire Professional Excellence Division are critical resources for all of our engagement teams as matters arise. This allows matters to be resolved timely and accurately, and they are also available to meet with you as necessary.

Overview of The Bonadio Group  
*The Nation's 40th Largest CPA Firm*

**11 locations**

Albany	New York City
Batavia	Rochester
Buffalo	Syracuse
Dallas, TX	Utica
East Aurora	Rutland, VT
Geneva	
Approximately 750 employees	
More than \$100 million/year in firm revenues	
160 partners/principals	
115 managers	

**Client Types & Services**

<b>Who We Serve:</b>	<b>Services:</b>
Foundations	Accounting & Auditing
Colleges and Universities	Business Advisory
Public Authorities	Healthcare Consulting
Governments	IT Consulting
Healthcare	Outsourced quality control function
Individuals	Outsourced training
Labor	Peer reviews
Privately-Held Businesses	Risk Management
Private School K-12	Tax Planning & Preparation
Public Companies	
Small Businesses	
Tax-Exempt Entities	

Bonadio was founded in 1978 (**40 years of providing auditing/tax services**) and has grown to be the largest independent provider of accounting, business advisory and financial services in Upstate New York. Bonadio now currently employs over 750 personnel, including a **tax-exempt client service group consisting of approximately 150 personnel**. Our Buffalo office personnel complement is approximately 150 personnel.

We serve organizations that desire quality professional accounting services at a reasonable cost and who need personalized and timely services. Bonadio provides an environment where creative, people-oriented professionals practice accounting without some of the constraints inherent in giant national public accounting firms or small CPA offices. We believe that our size is a reflection of the outstanding service level we provide to all our clients. It is this combination that has made us successful and is responsible for our growth.

We provide highly technical and quality service commensurate with that of the national certified public accounting firms. However, we are able to respond quickly and personally to the needs of our clients because we are structured to service our clients in this way. You will interact regularly with our most experienced personnel, i.e. partners, principals, and managers.

We believe our firm has a unique combination of technical ability, relevant experience, and a commitment to service that makes us the best firm for this important engagement. We will provide you with creative, capable people who are dedicated to developing meaningful planning and business suggestions while maintaining an open communicative style to meet your needs.

Bonadio has grown and diversified from a firm offering only public accounting and auditing services to a multi-dimensional accounting, business advisory, and financial services organization.

- **A Top 100 CPA Firm in the U.S. by *Public Accounting Report* and *Inside Public Accounting*.**
  - **Ranked 40<sup>th</sup> in 2017 by *Accounting Today's Top 100 Firms***
- **A Top 4 “Best Firm to Work for” in the category of large (over 250 people) firms**
- **Identified by *Practical Accountant* as a CPA Innovative Firm.**
- **Named by *Accounting & Financial Women’s Alliance (AFWA)* and the *American Women’s Society of Certified Public Accountants (AWSCPA)* as a Best Accounting Firm for Women.**



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809  
225-922-4600 Phone – 225-922-4611 Fax – [pncpa.com](http://pncpa.com)

A Professional Accounting Corporation

### Report on the Firm's System of Quality Control

To the Partners of  
Bonadio & Co., LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under Single Audit Act; audits of employee benefit plans, audit performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

#### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bonadio & Co., LLP has received a peer review rating of *pass*.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
October 30, 2017

## **AMENDMENT TO AUTHORIZATION RESOLUTION – STRATEGIC FINANCIAL SOLUTIONS**

The company is requesting an \$350,000 increase in the previously authorized \$750,000 installment sale project in order to complete equipping and building out 16,000 square feet at 115 Lawrence Bell Drive to house 300 employees. The project was authorized in July 2017 (the project profile is included in this packet).

All material terms would remain, except now the increased amount of the investment would be changed from \$637,500 to \$935,000.

Strategic Financial Solutions chose Amherst for it expanding operation and is well on its way to meeting its job commitments. It currently employs 283 today.

**AMENDATORY RESOLUTION OF THE TOWN OF AMHERST  
INDUSTRIAL DEVELOPMENT AGENCY WITH REGARD TO THE 2017  
STRATEGIC FINANCIAL SOLUTIONS, LLC PROJECT.**

**WHEREAS**, the Town of Amherst Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 918 of the 1971 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, on July 21, 2017, the Agency adopted an inducement resolution (the “Inducement Resolution”) with respect to the renovation and equipping by the Agency without the proceeds of a bond issue of the 20,000 +/- square feet of office space to be used for back-office operations and support, all to be used for commercial purposes (the “Project”) and conveyance of the Project to Strategic Financial Solutions, LLC for itself or for a related entity to be formed (the “Company”) pursuant to an Installment Sale Contract or the lease of the Project to the Company, such Project to be located at 115 Lawrence Bell Drive, Amherst, New York; and

**WHEREAS**, Section 2 of the Inducement Resolution authorizes the Agency to provide financial assistance to the Company in the form of a sales and use taxes exemption for building materials, machinery, equipment, fixtures, and furnishings purchased for incorporation or use on the Project, having a total cost not to exceed \$750,000.00; and

**WHEREAS**, the Company is requesting that the Agency increase the sales and use taxes exemption for building materials, machinery, equipment, fixtures, and furnishings purchased for incorporation or use on the Project, to a total cost not to exceed \$1,100,000.00.

**NOW, THEREFORE, THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

1. Section 2 of the Inducement Resolution is hereby amended to read in its entirety as follows:

**“Section 2.** The Project is described in the recitals to this Resolution. The financial assistance to be provided in connection therewith include: an exemption from sales and use taxes for building materials and machinery, equipment, fixtures and furnishings purchased for incorporation into or use at the Project location having a total cost not to exceed \$1,100,000.00 (the “Financial Assistance”). In addition to any other covenants, obligations and agreements which may be contained in the Project Documents (as hereinafter defined), the provision by the Agency of the Financial Assistance is made subject to the agreement by the Company throughout the Compliance Period (as defined below) to comply with the following covenants and agreements, each of which shall constitute a “Material Factor”:

- (a) compliance with the Agency's Local Labor Policy in connection with the construction of the Project;
- (b) creation within two (2) years of Project completion of two hundred fifty-five (255) new full time jobs and retention of such jobs throughout the Compliance Period; and
- (c) investment of not less than 85% of the total Project cost of \$1,100,000.00 in the renovation and equipping of the Project prior to Project completion.

The "Compliance Period" shall mean the period of time during which the Company is receiving Financial Assistance from the Agency and the three (3) calendar years following the Company initially achieving compliance with the Material Factors."

2. Section 6 of the Inducement Resolution is hereby amended to read in its entirety as follows:

**"Section 6.** The Company is authorized, as agent of the Agency, to initiate the construction of building renovations constituting the Project, and the acquisition of machinery, equipment, fixtures and furnishings which will be a part thereof or will be used in connection therewith, and to advance such funds as may be necessary to accomplish such purposes. The designation of the Company as agent hereunder is limited to purchases of sales-taxable tangible personal property and services in connection with the Project which do not exceed a total cost of \$1,100,000.00 and shall not apply to any other purchase by the Company or any operating expenses of the Company. The Company shall report to the Agency, at such times as the Agency shall require, or as may otherwise be prescribed by the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner"), the value of all sales and use tax exemptions claimed by the Company or agents of the Company or any operators of the Project, including, but not limited to, consultants or subcontractors of such agents or Project operators under the authority granted pursuant to this Resolution. A failure to report may result in the revocation of the designation of the Company as agent and repayment of any sales and use tax exemptions claimed.

3. The sales and use tax exemption authorized by the Agency shall continue in effect until the earlier of the completion of the Project or December 31, 2019, unless otherwise extended by the Agency.

4. Except as amended by paragraphs 1, 2 and 3 of this Amendatory Resolution, the terms of the Inducement Resolution are unchanged and remain in full force and effect.

5. This Resolution shall take effect immediately.

ADOPTED: December 21, 2018



# PROJECT PROFILE: CUBIC TRANSPORTATION SYSTEMS

**\$1,100,000**

**December 21, 2018**



## ELIGIBILITY

- NAICS Code— 5614 (Business Support Services)

## COMPANY INCENTIVES

- Sales Tax = \$96,250

## PROJECT BENEFITS (EST.)

- Income Taxes = \$1,250,456
- Sales Taxes = \$1,100,909

## EMPLOYMENT

- 100 New Full-Time Jobs
- Salary of Positions Range from \$50,000 - \$100,000 Annually Plus Benefits

## PROJECT SCHEDULE

- January 2019 Equipment/ Renovation Begins
- January 2020 Investment Expected To Be Complete

### Project Address:

33 Dodge Road  
Amherst, New York 14068  
(Williamsville Central School District)

### Investment:

Equipment: \$1,100,000



### Company Description:

Cubic Transportation Systems , founded in 1951, and is a leading integrator of payment information and related services for intelligent travel applications. The company is headquartered in San Diego, California, with offices in North America, Europe, India, and Australia. Cubic Transportation Systems New York provides end to end services for the MTA Fare Collection System.

### Project Description:

As part of the New Fare Payment System contract, MTA is outsourcing support services to Cubic. This includes the Customer Support Call Center, which will support all end user customer calls that have to do with the new fare collection system cubic is providing.

The Applicant is seeking Agency assistance to renovate and equip an approximately 20,000 square foot vacant office building located at 33 Dodge Road. Incentives will be used to offset costs associated with renovating and equipping the vacant space and starting up a new operation . As Cubic continues to bid on work throughout the Country, this initial investment has the potential to become a customer service for new business, fueling more investment and jobs.

**PROJECT PROFILE:**

**CUBIC TRANSPORTATION SYSTEMS**

**\$1,100,000**

**AIDA COMPANY HISTORY:**

None

**MATERIAL TERMS:**

1. Achievement of 85 total full-time equivalent jobs at the project location two years after project completion, and retention of such jobs for three additional years.
2. Investment of not less than \$935,000 at the project location as noted in the application.
3. Compliance with the Agency's Local Labor Policy in connection with the construction of the Project



# Board Report

Table 1: Basic Information

Project Name	Amherst Attraction
Project Applicant	Cubic Transportation Systems
Project Description	Attraction of new customer service and accounting office for Cubic Transportation Systems to a vacant space in Audubon.
Project Industry	Administrative and Support Services
Type of Transaction	Lease
Project Cost	\$1,100,000
Direct Employment Expected to Result from Project (Annual FTEs)	100

Figure 1: Estimated State & Regional Benefits / Estimated Project Incentives (Discounted Present Value\*)

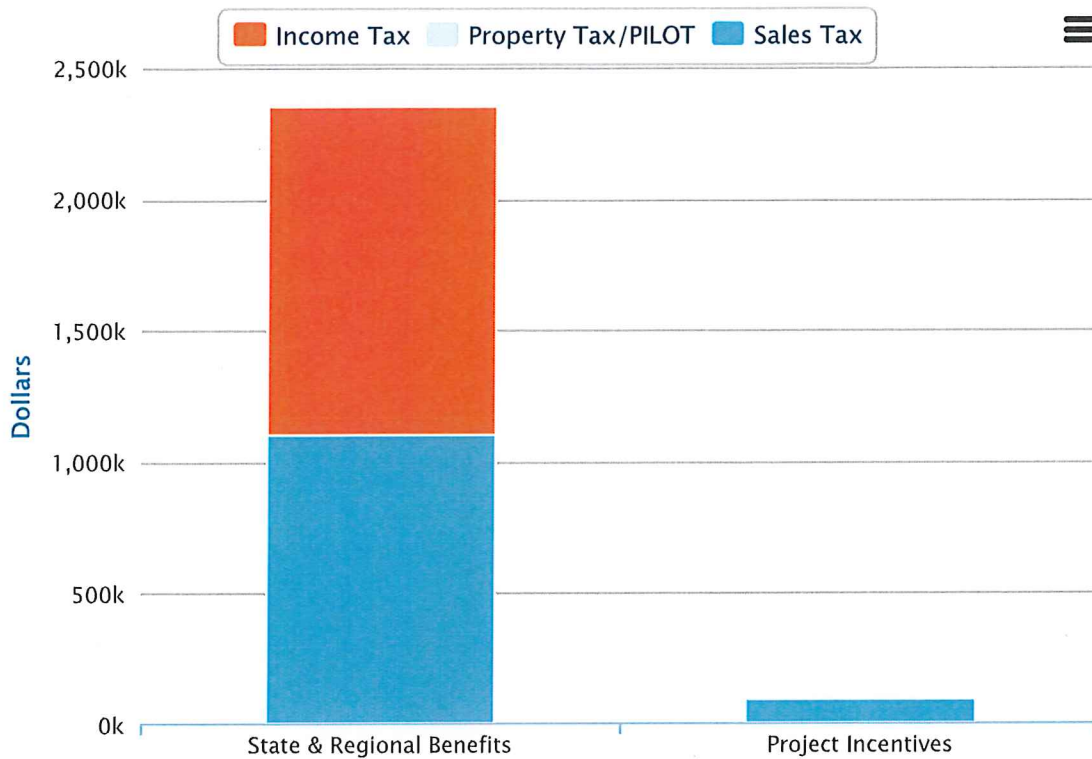


Table 2: Estimated State & Regional Benefits / Estimated Project Incentives Analysis (Discounted Present Value\*)

<b>Total State and Regional Benefits</b>	<b>\$2,351,365</b>	
<b>Total Project Incentives</b>	<b>\$96,250</b>	
<b>Projected Employment</b>	<b>State</b>	<b>Region</b>
<b>Total Employment</b>	<b>140</b>	<b>140</b>
Direct**	100	100
Indirect***	13	13
Induced****	28	28
Temporary Construction (Direct and Indirect)	0	0

Table 3: Estimated State & Regional Benefits (Discounted Present Value\*)

<b>Total State and Regional Benefits</b>	<b>\$2,351,365</b>
Income Tax Revenue	\$1,250,456
Sales Tax Revenue	\$1,100,909

Table 4: Estimated Project Incentives (Discounted Present Value\*)

<b>Total Project Incentives</b>	<b>\$96,250</b>
Sales Tax	\$96,250

\* Figures over 10 years and discounted by 3.49%

\*\* Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

\*\*\* Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

\*\*\*\* Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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**RESOLUTION OF THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE RENOVATION AND EQUIPPING OF APPROXIMATELY 20,000 +/- SQUARE FEET OF OFFICE SPACE BY CUBIC TRANSPORTATION SYSTEMS, INC., LOCATED AT 33 DODGE ROAD, AMHERST, NEW YORK FOR SALE OR LEASE TO THE AGENCY AND SUBSEQUENT RECONVEYANCE OR LEASE PURSUANT TO AN INSTALLMENT SALE CONTRACT OR LEASE TO CUBIC TRANSPORTATION SYSTEMS, INC., THE EXECUTION OF AN INSTALLMENT SALE CONTRACT AND/OR LEASE AGREEMENTS, AND THE TAKING OF OTHER ACTIONS.**

**WHEREAS**, the Town of Amherst Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Section 914-a of the General Municipal Law, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, Cubic Transportation Systems, Inc., for itself or for related individuals or entities (the “Company”), has entered into negotiations with officials of the Agency with respect to the renovation and equipping by the Agency without the proceeds of a bond issue of approximately 20,000 +/- square feet of office space to be used for a customer call center and other back-office operations and support (the “Project”) and conveyance of the Project pursuant to an Installment Sale Contract or the lease of the Project to the Company, such Project to be located at 33 Dodge Road, Amherst, New York (the “Premises”); and

**WHEREAS**, the Company has submitted an application and other materials and information (collectively, the “Application”) to the Agency to initiate the accomplishment of the above; and

**WHEREAS**, the Application sets forth certain information with respect to the Company and the Project, including the following: that the Company desires Agency financing for the renovation and equipping of approximately 20,000 +/- square feet of office space located at 33 Dodge Road, Amherst, New York, for a customer call center and other back-office operations and support, all at a cost of approximately \$1,100,000.00; that the Project will allow the Company to commence operations in the Western New York area; that the Company anticipates that one hundred (100) new full-time jobs will be created as a result of the Project at the end of two (2) years of operation thereof; that (i) there will be no substantial adverse disruption of existing employment of facilities of a similar nature in the Town of Amherst; (ii) the Project will provide substantial employment and substantial capital investment; and (iii) Agency financing will help to encourage the Company to proceed with the Project in the Town of Amherst; and

**WHEREAS**, the financial assistance to be provided by the Agency in connection with the Project, in the form of exemptions from sales and use taxes will not exceed \$100,000.00, therefore no public hearing with respect to the Project is required pursuant to General Municipal Law Section 859-a; and

**WHEREAS**, the Agency has reviewed the Application and a cost-benefit analysis with respect to the Project, including the extent to which the Project will create and retain permanent, private-sector jobs, the value of tax exemptions to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the proposed Project in a timely fashion, the extent to which the proposed Project will provide additional sources of revenue for the municipalities and school district and other public benefits that might occur as a result of the Project; and

**WHEREAS**, the Agency desires to encourage the Company with respect to the consummation of the Project, if by doing so it is able to induce the Company to proceed with the Project in the Town of Amherst; and

**WHEREAS**, the Company has completed and submitted to the Agency Part 1 of an Environmental Assessment Form (“EAF”) in accordance with the provisions of the State Environmental Quality Review Act and regulations adopted pursuant thereto (collectively, “SEQRA”); and

**WHEREAS**, the Agency has completed Part 2 of the EAF and has considered the proposed Project and reviewed the EAF and the criteria set forth in SEQRA in order to determine whether the Project will have a significant effect on the environment and wishes to make the findings required of an agency under SEQRA.

**NOW, THEREFORE, THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The Agency hereby resolves that the proposed Project will not have a significant impact on the environment for the reasons more particularly set forth in the negative declaration prepared by the Agency and, in accordance with SEQRA, hereby adopts such negative declaration with regard to the Project.

**Section 2.** The Project is described in the recitals to this Resolution. The financial assistance to be provided in connection therewith include: an exemption from sales and use taxes for building materials and machinery, equipment, fixtures and furnishings purchased for incorporation into or use at the Project location having a total cost not to exceed \$1,100,000.00 (the “Financial Assistance”). In addition to any other covenants, obligations and agreements which may be contained in the Project Documents (as hereinafter defined), the provision by the Agency of the Financial Assistance is made subject to the agreement by the Company throughout the Compliance Period (as defined below) to comply with the following covenants and agreements, each of which shall constitute a “Material Factor”:

- (a) compliance with the Agency's Local Labor Policy in connection with the construction of the Project;
- (b) creation within two (2) years of Project completion of eighty five (85) new full time jobs and retention of such jobs throughout the Compliance Period; and
- (c) investment of not less than 85% of the total Project cost of \$1,100,000.00 in the renovation and equipping of the Project prior to Project completion.

The "Compliance Period" shall mean the period of time during which the Company is receiving Financial Assistance from the Agency and the three (3) calendar years following the Company initially achieving compliance with the Material Factors.

**Section 3.** The Agency hereby determines that the Project and the financing thereof by the Agency pursuant to the New York State Industrial Development Agency Act will promote and is authorized by and will be in furtherance of the policy of the State as set forth in said Act.

**Section 4.** The Agency hereby authorizes the Company, as agent for the Agency, to proceed with the Project as herein authorized. The Agency is hereby authorized to acquire an interest in the Project site and to make renovations thereto. The Company is authorized to proceed with the acquisition and construction of the Project as set forth in any Project Agreement, the Agency Lease Agreement or Installment Sale Contract (as hereinafter defined).

**Section 5.** The Chairman, Vice Chairman, Executive Director, Secretary, Treasurer, and any Assistant Secretary of the Agency, and other appropriate officials of the Agency and its agents and employees, are hereby authorized and directed to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and to complete the Project in cooperation with the Company.

**Section 6.** The Company is authorized, as agent of the Agency, to initiate the construction of building renovations constituting the Project, and the acquisition of machinery, equipment, fixtures and furnishings which will be a part thereof or will be used in connection therewith, and to advance such funds as may be necessary to accomplish such purposes. The designation of the Company as agent hereunder is limited to purchases of sales-taxable tangible personal property and services in connection with the Project which do not exceed a total cost of \$1,100,000.00 and shall not apply to any other purchase by the Company or any operating expenses of the Company. The Company shall report to the Agency, at such times as the Agency shall require, or as may otherwise be prescribed by the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner"), the value of all sales and use tax exemptions claimed by the Company or agents of the Company or any operators of the Project, including, but not limited to, consultants or subcontractors of such agents or Project operators under the authority granted pursuant to this Resolution. A failure to report may result in the revocation of the designation of the Company as agent and repayment of any sales and use tax exemptions claimed.

**Section 7.** The Agency is hereby authorized to enter into a Project Agreement with respect to the provision of the Financial Assistance authorized herein (the "Project Agreement") and to



acquire an interest in the Project and the execution and delivery of an Installment Sale Contract (the "Installment Contract") between the Agency and the Company and such other documents as may be necessary to fulfill the intent of the parties to the transaction (collectively, the "Project Documents"), in form satisfactory to Agency counsel, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Secretary, Treasurer, or any Assistant Secretary are each authorized to execute such documents and to make or approve such amendments or modifications to the Project Agreement, Installment Contract and such other documents executed and delivered in connection therewith as they deem necessary under the circumstances provided, however, that such modifications do not materially alter the risk to the Agency.

**Section 8.** Any such action heretofore taken by the Company initiating the acquisition, installation and construction of the Project is hereby ratified, confirmed and approved.

**Section 9.** Any expenses incurred by the Agency with respect to the Project and the financing thereof shall be paid by the Company. By acceptance hereof, the Company agrees to pay such expenses and further agrees to indemnify the Agency, its members, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency with respect to the Project and the financing thereof.

**Section 10.** In the event an Installment Contract is not executed between the Company and the Agency by the expiration date of this Resolution (as such date may be extended as provided herein) or the termination of this Resolution, the Company shall then be required to pay all sales taxes which would have been levied in connection with the acquisition, construction and installation of all improvements of the real property and the machinery and equipment which constitute the Project, as if the Agency did not have an interest in the Project from the date the Company commenced its acquisition, construction and installation. In addition, in the event, because of the involvement of the Agency, the Company claims an exemption from state sales or use tax in connection with the Project, and such exemption is claimed with respect to property or services not authorized hereunder, or which exemption is in excess of the amounts authorized hereunder, or is otherwise not permitted under this Resolution, or if the Company shall fail to comply with a material term or condition regarding the use of property or services acquired by the Company as agent for the Agency as set forth in this Resolution or in any document authorized hereunder, then the Company shall each be required to remit to the Agency an amount equal to the amount of state sales and use taxes for which such exemption was improperly claimed. A failure to remit such amounts may result in an assessment against the Company by the Commissioner of state sales and use taxes, together with any relevant penalties and interest. In addition to the foregoing, in the event the Agency determines that Company is in violation of a Material Factor, or in the event that the Company closes the Project or relocates its operations to a location outside of the Town of Amherst within the Compliance Period or in the event the Agency determines, in its judgment, that the Company knowingly and intentionally submitted false or intentionally misleading information in its application to the Agency or in any report or certification submitted to the Agency for the purpose of obtaining or maintaining any Financial Assistance from the Agency (each referred to herein as a "Recapture Event"), the Agency may, in accordance with its policies and procedures then in effect, (i) revoke the designation of the Company and any agents of the Company (including, but not limited to, consultants, sub-contractors or equipment lessors of the

Company) as agents for the Agency in connection with the Project and terminate the exemption from New York State and local sales and use taxes conferred with respect to the Project and/or (ii) require that the Company pay to the Agency an amount equal to all or a portion (as determined by the Agency in its discretion) of the total value of all sales tax exemptions claimed by the Company and any agents of the Company, including, but not limited to, consultants, sub-contractors, or any equipment lessors of the Company under the authority granted under this Resolution and the Project Agreement. If the Agency makes any of the foregoing determinations and requires a repayment of all or a portion of the Financial Assistance received by the Company, the Company shall (i) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company and (ii) promptly pay over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdiction(s) unless otherwise agreed to by any affected tax jurisdiction.

**Section 11.** The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of the materials in the Project, or the suitability of the Project for the Company's purposes or needs. The Company is satisfied that the Project is suitable and fit for its purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused, and the Company each hereby indemnifies and holds the Agency harmless from any such loss, damage or expense.

**Section 12.** No covenant, stipulation, obligation or agreement herein contained or contained in the Project Agreement, Installment Contract or other documents, nor the breach thereof, shall constitute or give rise to or impose upon the Agency a pecuniary liability or a charge upon its general credit, nor shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity.

**Section 13.** Should the Agency's participation in the Project be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursements of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under Article 18-A of the General Municipal Law to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

**Section 14.** This Resolution shall take effect immediately and shall continue in full force and effect for one (1) year from the date hereof and on or after such one (1) year anniversary, the Agency may, at its option (a) terminate the effectiveness of this Resolution (except with respect to the obligations of the Company pursuant to Sections 9 and 10 of this Resolution which shall survive

any expiration or termination) or (b) allow the Company additional time in which to close the transactions contemplated by this Resolution based upon affirmative actions taken by the Company to complete such transactions. Upon any allowance of additional time to close, the Agency may charge the Company an extension fee in accordance with the Agency's fee schedule.

**Section 15.** This Resolution is subject to compliance with all local building and zoning requirements.

ADOPTED: December 21, 2018

ACCEPTED AND AGREED TO: \_\_\_\_\_, 201\_\_

CUBIC TRANSPORTATION SYSTEMS, INC.

By: \_\_\_\_\_