

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

Governance Committee Meeting

Agenda

March 21, 2019 8:30 am

Agency Offices, 4287 Main Street

1. Roll Call of Members
2. Approval of Minutes
3. New Business
 - a. Authority Mission Review and Performance 2018
 - b. Board of Directors Evaluation
 - c. Calabrese Legislation Update
 - d. Draft Uniform Tax Exemption Policy Revisions (Information Only)
4. Adjournment

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the Governance Committee Meeting
August 17, 2018 – 8:30 AM
Agency Office, 4287 Main Street

Governance Committee: Carlton N. Brock, Jr.
Michael R. Szukala
E. Marshall Wood, Jr.

Guests: Steven D. Sanders
Honorable Timothy Drury
David S. Mingoia, Executive Director

Mr. Brock opened the meeting at 8:38 AM and requested a motion to approve the minutes of the previous Governance Committee Meeting. Mr. Wood made the motion, seconded by Mr. Szukala and it carried unanimously.

Mr. Mingoia reviewed the recent Board Member and Officer Vacancy, referring to the AIDA By-Laws. He noted that the Town Board appointed Philip Meyer at its recent meeting and that staff had reached out to him and was scheduling an orientation. Mr. Mingoia continued that Mr. Szukala and Mr. Wood were the approved Nominating Committee and able to solicit interest from Board Members on the vacancy. Mr. Brock asked the two gentlemen to solicit interest in advance of the next Board of Directors Meeting.

Mr. Mingoia presented a project approval process that has become cumbersome and needed to be streamlined. Mr. Brock noted that the thoughts behind expanding the review timeframe was to increase transparency and that we need to continue to have that as the goal and functionality. Mr. Sanders explained the public hearing process that the Town uses and suggested that we follow a similar model. The applicant would present, and then the public would present, whether opposed or for a project, followed by the Board having the opportunity to ask questions. The Committee instructed staff to work with counsel on developing written guidelines.

Mr. Mingoia presented initial program details on a façade program jointly administered by the Town. It is anticipated that the ADC would act as administrator.

At 9:30 AM, Mr. Wood made a motion, seconded by Mr. Szukala, and it carried unanimously.

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, 83 active AIDA projects produced a total of 13,339 new and retained jobs. On a “cost” per job basis, \$648 in tax incentives was provided for every job retained or created. These projects totaled \$9,485,440 in total exemptions in 2018. On aggregate across all projects, 1,315 more jobs were created than committed to at project inducement.

A full accounting of the entire *AIDA Portfolio* is attached at the end 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	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

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.

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 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	\$1,400,000
59 John Glenn	<u>\$1,030,000</u>
	\$6,810,000

Summary Results of Confidential Evaluation of Board Performance (2018)

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Authority.	4			
The policies, practices and decisions of the Board are always consistent with this mission.	3			1
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	3	1		
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	4			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	3	1		
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.		4		
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	3	1		
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	3	1		
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	3	1		
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	3		1	
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	4			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	3	1		
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	3	1		
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	2	1	1	
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	2	1	1	
Board members demonstrate leadership and vision and work respectfully with each other.	3	1		

Name of Authority: Town of Amherst Industrial Development Agency

Date Completed: December 2018

To: IDA Board Members

From Masiello, Martucci, Calabrese & Associates (MMCA)

RE: Activity and Issue Update

The election of 2018 produced a major change in Albany with control of the State Senate changing hands to the Democrats.

For years, opponents of local IDA's in the Assembly have filed bills that would essentially put local IDA's out of business. With the Senate in Republican hands, those bills never came to the floor for votes.

Shortly after the election, MMCA convened a meeting of the member IDA's of our coalition to begin discussing strategy for dealing with this new political reality. That strategy discussion centered on 2 major issues:

- Anti-local IDA legislation from past sessions re-emerging
- State imposition of Prevailing Wage standards for all projects receiving IDA incentives.

Anti-Local IDA legislations:

It was decided that we first needed to determine how high a priority anti- local IDA legislation would be in the legislature. In early January, MMCA met with Senator Kennedy in Albany to discuss this issue. Senator Kennedy was of the opinion that, given the large number of other priority issues awaiting resolution in this session, bills dealing with local IDA's would NOT be a priority in the near term. Thus far, this assessment has proven accurate. The usual flurry of bills restricting local IDA's ability to offer tax incentives and/or serve as autonomous decision makers (requiring IDA's to secure the permission of school districts, county government and state government before offering relief on those respective taxes) have not been forthcoming. MMCA, using its state legislative tracking system, will continue to monitor legislative activity in this area.

A second component of our strategy involves having the town Supervisors of Lancaster, Amherst and Hamburg (all Democrats) convey the importance of their respective IDA's to their town's economic development directly to Senator Kennedy. MMCA has arranged for a conference call meeting in the near future to have that message delivered.

Prevailing Wage (PW):

PW appears to be **the priority issue** going into this session. Organized labor is the prime mover behind this effort. A number of bills have been filed - AB 1261 and SB 1947 would mandate PW in all municipalities statewide, regardless of population. AB 1915 and SB 1948 would mandate PW in municipalities over 1 million population.

Our strategy for dealing with this potentially job killing proposal is:

- The CCB has joined forces with numerous other groups that oppose this mandate. These partners include the Commercial Real Estate Development Association, Buffalo Niagara Partnership and Unshackle Upstate (which has also put together a coalition of 30 upstate business groups opposed to this legislation).
- The CCB, along with Bob Richardson of the Real Estate Development Assoc., has begun discussions with organized labor to identify possible compromises. We have had discussions with Richard Lipsitz (President AFL-CIO) and the AFL-CIO Legislative Director in Albany. Based on recommendations from these discussions, we subsequently met with Sam and Peter Capitano of Laborers Union 210, who are directing legislative efforts on this issue.
- MMCA has met with key staffers for Senate Majority Leader Andrea Stuart Cousins. We were told that the Leader is "getting major pushback on PW from business groups in Westchester County" (her Senate district). She has committed to them no legislation will reach the floor without business input. MMCA was able to secure a commitment from the Leader to include business group from Western New York in that process (post budget adoption).

Next Steps:

- IDA's will begin compiling data on projects which would not have occurred if PW standards had been imposed.
- Set up meeting with IDA's and Buffalo News Editorial Board.
- Determine negative impacts of PW on minority work force – meet with Crystal Peoples-Stokes.
- Work with labor to develop acceptable alternatives and possible common ground, i.e. parking lot redevelopment in city and strip mall reuse in suburbs.