**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**

**Minutes of the 448th Meeting**

**November 30, 2012 – 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: Fredrick A. Vilonen

Edward F. Stachura

Aaron Stanley

Barry A. Weinstein, MD

Stuart Shapiro

Ayesha Nariman

James Allen, Executive Director

Nathan Neill, Esq.

ABSENT: Robert M. Ciesielski

GUESTS: AIDA Staff

David Robinson, Buffalo News

Jim Fink, Business First

Richard Sibley, PHH Mortgage

Mark Rhodes, PHH Mortgage

Gina Nash, PHH Mortgage

Joe Gabner, PHH Mortgage

Jim Zaepfel, Zaepfel Development

Greg Zaepfel, Zaepfel Development

Doug Tyler, Deloitte

Dave Schiller, Pyramid

Steven Sanders, Amherst Councilmember

Jay Anderson, Amherst Councilmember

Ron George, Zaepfel Development Company

Dave Tytka, Uniland Development

Andy Reynolds, Coalition for Economic Justice

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

**MINUTES**

The minutes of the September 2012 meeting were approved as presented.

**BILLS & COMMUNICATIONS**

The Agency is in receipt of a letter for Amherst Councilmember Mark Manna. The letter requests

that the AIDA “create a policy for those projects receiving AIDA abatements so that “local labor”, in the absence of a waiver permitting otherwise, be used for the construction of new, expanded or renovated facilities.” (attached)

Mr. Allen informed the board that he had discussed Mr. Manna’s letter with him. He explained the AIDA board policy of taking this type of request to the ECIDA policy committee so that something would be developed on a county-wide basis.

The Agency is also in receipt of a letter from ECIDA Chairman John LaFalce inviting Agency participation with the review of the Adaptive Reuse and Neighborhood Enhancement Area policies currently in the Countywide IDA Eligibility Policy. (attached)

**TREASURER’S REPORT**

The Treasurer’s Reports for September and October 2012 were approved as presented.

**PUBLIC COMMENT**

Councilmember Steven Sanders spoke. He noted that in the 2013 Proposed Budget that was approximately $50,000 in the Special Projects line items. He urged the board to invest as much as possible for redevelopment initiatives and projects.

**EXECUTIVE DIRECTOR’S REPORT**

Executive Director Allen thanked Councilmember Sanders for his comments. Mr. Allen noted that the Agency has participated in redevelopment projects and initiatives since 2000. He explained that because IDA legislation made it difficult to participate in such projects, the Agency was, until the expiration of this legislation, unable to do as much as it would like until four years ago. Since the expiration of the legislation limiting IDA participation in redevelopment projects, the Agency has been working with the Town to help identify the enhancement zones and code and zoning issues that would permit the redevelopment of certain parts of Amherst.

Mr. Allen also reported that he spoke at the public hearing sponsored by Senator Gallivan. The public hearing was specifically about adaptive reuse and redevelopment assistance.

Mr. Allen noted that he and Deputy Director Mingoia, along with board members Rick Vilonen, Ed Stachura and Stuart Shapiro, attended a lecture and panel discussion led by famed author and speaker John Nordquist. The topic was

He also informed the board that he and Deputy Director Mingoia attended a presentation by the Village of Williamsville regarding their new formed based codes and Picture Main Street project.

Mr. Allen, told the board that he was attending the ECIDA policy committee meeting this coming Monday.

**COMMITTEE REPORTS – AUDIT/FINANCE COMMITTEE**

The Audit/Finance Committee met on Monday, November 26, 2012 to review the 2012 Recommended Budget Adjustments and the 2013 Budget Recommendations. These were forwarded to the AIDA Board of Directors, the Amherst Town Board and the Amherst Town Clerk in October.

After a presentation by Treasurer Stanley and upon a motion by Stuart Shapiro, seconded by Ayesha Nariman and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY APPROVE

THE 2012 BUDGET ADJUSTMENTS AS PRESENTED.

Upon a motion by Stuart Shapiro, seconded by Ayesha Nairman and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY APPROVE

THE 2013 BUDGET RECOMMENDATIONS AS PRESENTED.

**UNFINISHED BUSINESS**

1. **AMENDMENT TO AUTHORIZATION RESOLUTION**

**Waldex Holdings, LLC** – The project applicant is requesting an amendment to the authorization resolution adopted in November 2010 to reflect a change in the name of the project to Fox Creek Estates, LLC (of which Waldex Holdings, LLC is a member) and that Fox Creek Estates, LLC is eligible for the incentives previously approved for Waldex Holdings LLC.

The project was originally authorized in November 2010 for the construction of two, 100 unit, 3-story apartments for senior citizens located at 9500 Transit Road. Site work and construction have recently commenced on the project.

Upon a motion by Barry Weinstein, seconded by Aaron Stanley and unanimously approved, it was

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AMENDING THE PRIOR RESOLUTION ADOPTED ON NOVEMBER 19, 2010 AUTHORIZING WALDEX HOLDINGS, LLC TO ACQUIRE AN APPROXIMATELY 15.25 ACRE PARCEL OF LAND LOCATED AT 9500 TRANSIT ROAD IN THE TOWN OF AMHERST, TO CONSTRUCT A TWO (2) 100 UNIT THREE STORY BUILDINGS TOTALING APPROXIMATELY 114,980 SQUARE FEET THEREON WITH EACH UNIT BEING A ONE BEDROOM OR TWO BEDROOM APARTMENT FOR SENIOR CITIZENS CAPABLE OF INDEPENDENT LIVING AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A SENIOR HOUSING FACILITY FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO WALDEX HOLDINGS, LLC FOR RENTAL TO QUALIFIED SENIORS AND TO TAKE OTHER PRELIMINARY ACTION TO SUBSTITUTE FOX CREEK ESTATES LLC AS THE LESSEE IN PLACE OF WALDEX HOLDINGS, LLC.**

**NEW BUSINESS**

1. **AUTHORIZATION RESOLUTION – PHH MORTGAGE CORPORATION**

**Project Applicant Proposed Project Location**

940 Ridgebrook Road 1760 Wehrle Drive

Sparks, MD 21152 Amherst, NY 14221

Mark Rhodes, Vice President

**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 company is eligible under NAICS 522292 as a finance services back office facility under the Countywide Eligibility Policy.
* The project complies with the Town of Amherst Comprehensive Plan as it maintains and grows the tax base through a high quality development.

**Project Description**

The applicant is requesting assistance for a Lease Transaction in an amount not to exceed $20,000,000 for the purchase of furniture, fixtures, equipment and information technology for a proposed 97,000 square foot single tenant, back-office mortgage facility located at 1760 Wehrle Drive, within the Williamsville Central School District.

PHH Mortgage Corporation (PHH) is the 4th largest retail residential mortgage lender in the United States and employs 4,900 at two primary location: Mount Laurel, NJ (corporate headquarters) and Jacksonville, FL. PHH provides mortgage banking services to a variety of clients, including financial institutions and real estate brokers. The mortgage banking activities include originating, purchasing, selling and servicing mortgage loans which include both first and second lien mortgage loans.

In May 2012, it was announced that PHH was acquiring HSBC’s mortgage processing and servicing operations, which is currently located at a facility on Walden Avenue in Depew. After extensive review, PHH determined that it could not remain at the present site and undertook a property search as it needed a larger facility to meet its expansion needs. PHH projects the need for a large facility to house approximately 400 employees it will shift from Depew, once the transaction with HSBC is complete in 2013, along with an estimated 400 new jobs by the end of 2015.

PHH identified a location in Amherst and is currently evaluating options to expand its New Jersey campus, and absorb excess capacity at its loan origination and servicing center in Jacksonville, Florida. Each or a combination of these two facilities could serve to house PHH Mortgage's planned expansion over a new build option in Amherst. Upon learning that the Amherst site is the only local option, AIDA staff contacted the Supervisor of Cheektowaga, Mayor of Depew and ECIDA to brief them on the project and address any concerns they may have. None were raised as all parties understand the risk to losing this expansion out of state.

PHH Mortgage anticipates it would relocate the 400 acquired HSBC jobs and grow by another 400 jobs for a total of 800 fulltime jobs at the proposed project site by year end 2015. The approval of financial assistance from the AIDA associated with the new building construction and fit out and equipping the building, along with participation by Empire State Development, is a material factor in a decision to proceed with the proposed project in Amherst. Without the availability and approval of assistance from AIDA these jobs would not be expected to be created within New York State. Should PHH Mortgage decide to proceed with the proposed New York State expansion, the new facility would be utilized for mortgage origination, servicing and processing operations.

**Employment**

The project would retain 400 jobs and create an estimated 400 full-time jobs by year-end 2015.

**PILOT SCHEDULE**

There is no PILOT being requested on this transaction.

**Project Tax Savings**

As a result of the Agency’s participation in this transaction, the project applicant would realize an estimated $1,312,500 in sales tax savings.

Board member Ayesha Nariman questioned the commitment PHH Mortgage had about the project and if they were entering into a long term lease.

Rick Sibly of PHH Mortgage informed the board that PHH Mortgage did an exhaustive study in terms of this project and its location. He mentioned that WNY had the education system, workforce and workforce aptitude necessary for PHH Mortgage to make this very significant investment in Amherst and Western New York. He mentioned that based on the outcome of the Agency’s decision, they were hoping to finalize lease discussion with the Developer on the project.

Board member and Amherst Town Supervisor, Barry Weinstein voiced his support of the project, but also questioned whether PHH Mortgage was going to sign a long term lease. Mr. Shibly replied that that was the goal.

Upon a motion by Ayesha Nariman, seconded by Aaron Stanley and unanimously carried, it was

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT WITH PHH MORTGAGE CORPORATION AND OTHER INSTRUMENTS AND MATTERS IN CONNECTION THEREWITH**.

1. **AUTHORIZATION RESOLUTION – 1760 Wehrle Drive LLC**

**Project Applicant**

1760 Wehlre Drive LLC

5505 Main Street

Amherst, NY 14221

Ronald George, CFO

**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 tenant is eligible under NAICS 522292 as a finance services back office facility under the Countywide Eligibility Policy.
* The project complies with the Town of Amherst Comprehensive Plan as it maintains and grows the tax base through a high quality development.

**Project Description**

The applicant is requesting assistance for a Lease Transaction estimated at $14,125,000. The project involves the construction of a 97,000 square foot two-story building located at 1760 Wehrle Drive, within the Williamsville Central School District. The project would house PHH Mortgage Corporation.

The tenant for this facility, PHH, is evaluating the costs and benefits of starting up a site in New York versus absorbing additional staff into their existing facilities after their acquisition of retail residential mortgage operations from HSBC Bank. The costs and benefits to be taken into account include the operations and support infrastructure already in place at their existing facilities out of state and New Jersey and Florida offering business employment incentives. AIDA incentives, as well as incentives from NYS, are necessary to encourage PHH to make a decision to invest here.

**Employment**

Employment information is contained within the PHH Mortgage Corporation application.

**PILOT SCHEDULE**

Based on the information contained within the application, the new building constructed on the site would be eligible for the Agency’s 10-year graduated PILOT schedule. During the abatement period, the building would generate an estimated $1,064,875 in new property taxes broken down as follows: $396,055 to the Town of Amherst, $147,680 to Erie County and $521,140 to the Williamsville Central School District.

The vacant land currently generates $12,822 in annual town, county and school taxes, which amounts to $128,220 over the abatement period. Should this project proceed, the net revenue gain over the abatement period would be an estimated $936,655.

**Project Tax Savings**

As a result of the Agency’s participation in this transaction, the project applicant would realize an estimated $568,750 in sales tax savings, an estimated $140,000 in mortgage recording tax savings and approximately $2,532,895 in property tax savings.

Upon a motion by Barry Weinstein, seconded by Aaron Stanley and unanimously carried, it was

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE 1760 WEHRLE DRIVE LLC (THE “LESSEE”) TO ACQUIRE AN APPROXIMATLEY 5.75 ACRE PARCEL OF LAND LOCATED AT 1760 WEHRLE DRIVE, AMHERST, NEW YORK AND TO CONSTRUCT AN APPROXIMATELY 97,000 SQUARE FOOT TWO-STORY BUILDING THEREON, ALL FOR BACK OFFICE MORTGAGE FACILITY FOR LEASE BY THE LESSEE TO THE AGENCY AND SUBSEQUENT SUBLEASE BY THE AGENCY TO THE LESSEE FOR SUB-SUBLEASE TO PHH MORTGAGE CORPORATION (THE "SUBLESSEE") AND TO TAKE OTHER PRELIMINARY ACTION.**

**9:13 am – meeting adjourned.**