

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 453rd Meeting
May 17, 2013 – 8:30 am
Agency Office, 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
Barbara Nuchereneno
Carlton N. Brock, Jr.
James Allen, Executive Director
Nathan Neill, Esq.

GUESTS: AIDA Staff
David Robinson, Buffalo News
Dave Tytko, Uniland Development
Sean Hopkins, Esq.
Paul Bliss, MEL Investors
Michael Connors, MEL Investors
Robert Collins

Chairman Vilonen reminded everyone that the meeting was being recorded.

MINUTES

The minutes of the April 2013 meeting were approved as presented.

BILLS & COMMUNICATIONS

There were no Bills & Communications at this meeting.

TREASURER'S REPORT

The Treasurer's Report for April 2013 was approved as presented.

PUBLIC COMMENT

There was no public comment at this meeting.

PRESENTATION BY FRANKLIN J. SCIORTINO, District Director-US Small Business Administration

EXECUTIVE DIRECTOR'S REPORT

Executive Director Allen provided the board with a summary of the 2011 Authorities Budget Office report of Industrial Development Agencies in New York State (attached to these minutes)

Executive Director Allen informed the board that the Agency continues to work with ECIDA and other the other IDAs in Erie County, on the county-wide eligibility policy.

Mr. Allen also informed the board that he has met with representatives of the IDAs in Erie County to discuss the new retail provisions for IDAs in the 2013 NYs budget amendments.

I. Authorization Resolutions

APPLICANT

MEL Investors, LLC
8610 Transit Road
East Amherst, New York 14051
Michael Connors, Director of Development

PROJECT LOCATION

1765-1805 Maple Rd

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.
- Senior Housing Development is eligible for incentives under the Countywide Eligibility Policy provided that the project applicant proves a demonstrable need for such facility.
- The project complies with the Town of Amherst Comprehensive Plan as it maintains and grows the tax base through a high quality development leveraging existing infrastructure.

REQUEST

The applicant is requesting authorization for a Lease Transaction for the construction and equipping of a 110,000 square feet, 99 unit, 3-story apartment building for senior citizens. The project is located at 1765-1805 Maple Road and is within the Williamsville Central School District. The project value is estimated at \$8,875,000.

The building is designed specifically for senior citizens and is fully handicap accessible and all units are handicap adaptable. It will contain a mixture of one and two bedroom apartments totaling 99 units, which are equipped with a refrigerator, stove, microwave and dishwasher. The building will also feature a community room, laundry facilities, a beauty parlor, lounges, an exercise room, staff offices and an elevator.

The application states that there is a strong need for affordable housing for senior citizens in the Town of Amherst, Erie County and throughout New York State. According to the 2010 census, there are 29,296 people 60 years of age or greater who reside in the Town of Amherst. In the applicant's experience, lack of affordable housing units for senior citizens within the Town may ultimately force elderly persons to seek affordable housing in other Villages, Towns, Counties or States. Their target market is a senior citizen 60 years of age or greater who earns approximately 60-90% of the area median income and have found that this segment of the senior population is largely un-served.

The application states that "Agency participation is necessary or the project will not proceed and is not economically viable. The Town of Amherst and Erie County senior population would lose the benefit of

the creation and retention of construction jobs during the construction period and the jobs created upon the completion of construction.”

EMPLOYMENT

The project will create 3 full time employment opportunities and 1 part-time after project construction is complete.

PILOT SCHEDULE

The project is eligible for the Agency’s 7 Year PILOT. During the abatement period, the project would pay an estimated \$538,296 in property taxes; \$227,700 to the Town of Amherst, \$68,376 to Erie County and \$242,220 to the Williamsville Central School District.

The vacant land currently generates \$7,850 in annual town, county and school taxes. Over the abatement period this amount would be \$54,950. Should this project proceed, the estimated net revenue gain would be \$483,346 over the period of abatement.

Project Tax Savings

As a result of the Agency’s participation in this transaction, the project applicant would realize an estimated \$329,375 in sales tax savings, \$88,750 in mortgage recording tax savings and \$920,700 in property tax savings (\$144,210 from Town; \$170,940 from County; \$605,550 from School).

The Public Hearing for this project was held on Friday, March 22, 2013. No one spoke regarding this project. Upon completion of the Public Hearing and at the request of the project applicant, the project was removed from the March 22, 2013 agenda.

Sean Hopkins, the attorney for the MEL Investors project, gave a presentation of the merits of the project and refuted some of the information contained the UB study on senior housing needs in Erie County, that that had been sent to the board.

9:08 am - Upon a motion by Edward Stachura, seconded by Aaron Stanley and unanimously carried, the board went into Executive Session to discuss a legal matter.

9:18 am – The board returned from Executive Session and re-opened the meeting.

The board held a lengthy discussion on the MEL Investors, LLC project, with each board member taking an opportunity to express their thoughts and opinions.

Upon a motion by Barbara Nuchereno, seconded by Carlton Brock to approve the MEL Investors, LLC project, and a vote of aye by Aaron Stanley in favor of the project, and votes of no by Fredrick Vilonen, Edward Stachura, Barry Weinstein and Stuart Shapiro, the MEL Investors, LLC project request for Agency assistance was denied.

9:33 am – Meeting adjourned.

Summary of the Comptroller's Annual Report on NYS IDAs

- Most recent report covers data collected in 2011 through the Authority Budget Office
- Compilation of data reported on projects undertaken that we currently have title to. These include sales tax only projects that typically last one year, as well as projects currently under a PILOT agreement. It does not include projects that are closed or do not have a PILOT or mortgage with the Agency in title.
- **113 active IDAs in NYS** reported **4,486** projects representing **\$74.2 billion** of investment with an estimated **job gain of 217,587**
- Focus this year was to highlight the **growth in retail projects from 36 in 2007 to 105 in 2011**
 - Still only represents **less than 2.3% of all IDA projects** but furthers the mission of redevelopment and smart growth by IDAs throughout NYS
 - WNY, as a border community, select retail assistance furthers the region's attractiveness to Canadians and other visitors bringing new dollars to communities.
- **Amherst – 137 projects reported with a value \$742,396,631.**
- **\$11,444,561 in total tax exemptions**
- **\$7,041,569 in collected PILOTs**
- **11,101 net new jobs**
- **Cost per job of \$397**
- **Average cost per job statewide is \$2,575**
- **Amherst - Administrative Cost per Job was \$76 with a cost per project of \$6,191**
- **Statewide average of \$278 per job and \$13,466 per project**

The Amherst IDA once again ranks 4th in the state in terms of net jobs created:

- #1- New York City- 51,284
- #2- Monroe County- 14,999
- #3- Suffolk County- 14,996
- #4- Town of Amherst- 11,101
- #5- Westchester County- 9,227

Other local IDAs

ECIDA – 314 projects, \$5,040,259,333 investment, \$44,193,459 exemptions, \$11,927,799 PILOTs, 512 net jobs, \$23,296 cost per job, \$5,738 expenses per job, \$9,373 expenses per project

Clarence – 32 projects, \$67,631,124 investment, \$1,448,336 exemptions, \$875,839 PILOTs, 426 net jobs, \$1,343 cost per job, \$146 expenses per job, \$1,998 expenses per project

Concord – 8 projects, \$7,455,827 investment, \$243,488 exemptions, \$140,931 PILOTs, 150 net jobs, \$686 cost per job, \$51 expenses per job, \$947 expenses per project

Hamburg – 25 projects, \$56,816,500 investment, \$1,438,472 exemptions, \$808,196 PILOTs, 837 net jobs, \$753 cost per job, \$168 expenses per job, \$5,615 expenses per project

Lancaster – 74 projects, \$251,857,762 investment, \$5,425,045 exemptions, \$3,183,862 PILOTs, 1,172 net jobs, \$1,912 cost per job, \$76 expenses per jobs, \$1,210 expenses per project

MEL Investors LLC Senior Housing	Applicant Benefit	Community Benefit
PILOT agreement to phase in payment in lieu of taxes, thereby generating additional revenues *Utilization of Town services would be minimal *No increased burden to schools	\$ -	\$ 483,346
Property Tax Exemptions	\$ 920,700	
Sales Tax Exemptions	\$ 329,375	
Mortgage Recording Tax Exemption	\$ 88,750	
Expansion in Amherst will add 4 new jobs and new payroll.		\$ 100,000
The new jobs will pay new sales tax annually		\$ 1,442
The new jobs will pay new property tax annually		\$ 1,773
Project will generate 110.8 "annual" jobs from construction and related economic activity		\$ 4,957,765
TOTAL	\$ 1,338,825	\$ 5,544,326

**Output = Value Added + Intermediate Purchases and represents the total impact of the entire operation including such metrics as labor income, proprietor income, property income and taxes.
 Construction and Equipment Employment is measured on an annual basis even though many projects are complete before 12 months is up.

Regional Economic Impact Analysis – MEL Investors LLC

Utilizing IMPLAN Pro modeling software, an economic impact analysis was conducted to measure new investment and employment for the MEL Investors LLC, Senior Housing project. IMPLAN Pro is a widely accepted software application and an industry standard for economic impact modeling measuring employment and salary impacts and facility output on the community for a given project. This analysis utilized IMPLAN sectors 37 (construction of multi-family residential), 367 (Legal Services) & 369 (A&E Services).

The impacts generated can be measured on an annual basis except for finite activities, such as economic activity occurring as a result of construction investment.

New Capital Investment:

New Construction	\$6,800,000
Soft Costs	\$1,175,000
Land Acquisition	\$900,000

Employment:

New Jobs	4
New Payroll	\$100,000

New Investment Impact:

- New Construction and Soft Costs (A&E, Legal) supports a total of 43 new direct construction jobs and 36 supplier induced jobs and an additional \$4,957,765 in economic activity.

New Operation Impact:

- The 3 full-time and 1 part-time job will support an additional 1 job in the county annually.
- These new jobs will contribute \$1,442 in sales tax annually
- These new jobs will contribute \$1,773 in property taxes annually

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