

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 462nd Meeting
August 15, 2014 – 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
Carlton N. Brock, Jr.
E. Marshall Wood, Jr.
James Allen, Executive Director
Nathan Neill, Esq.

GUESTS: AIDA Staff
Dave Tytka, Uniland Development
Rob Savarino, RAS Development
Sean Hopkins, Hopkins Sorgi
Scott Allen, GAR Associates
Alan Korman, Columbus McKinnon Corp.

Chairman Vilonen reminded everyone that the meeting was being recorded.

MINUTES

The minutes of the July 2014 meeting were approved as presented.

BILLS & COMMUNICATIONS

There were no Bills & Communications for this meeting.

TREASURER'S REPORT

The Treasurer's Report for July 2014 was approved as presented.

PUBLIC COMMENT

There was no public comment at this meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Allen informed the board that he continues to meet with the ECIDA Policy Committee. He noted that he remain disappointed that the committee doesn't act more quickly on issues pertaining to the adaptive re-use policy and the senior housing policy. Mr. Allen also informed the board that discussions have also begun about reviewing the 3 tier PILOT policy.

NEW BUSINESS

Applicant

Columbus McKinnon Corporation
140 John James Audubon Pkwy.
Amherst, New York 14228

Project Address

205 CrossPoint Pkwy.

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 as a headquarters operation of a national enterprise under NAICS 55 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 that includes job creation.

Project Description

The applicant is requesting authorization for a \$5,915,000 lease transaction for the acquisition of land, construction and equipping of a 30,000 square-foot corporate headquarters and training center facility. Columbus McKinnon is a leading global designer, manufacturer and marketer of hoist, rigging tools, cranes, actuators, and other material handling products. The training center will allow the company to perform research and development activities on new products. The project will be located at 205 CrossPoint Parkway within the Williamsville Central School District.

Columbus McKinnon has undertaken significant analysis to determine a preferred location for a new global headquarter location and training center including locations both inside and outside of New York. Most notably are locations in North Carolina where the company also manufactures products within a few hours from Charlotte. They note that various New York State and North Carolina agencies have reached out to them with incentives.

The applicant states that IDA participation is necessary in order to maintain their presence in Western New York. Incentives from the Amherst IDA are vital to the economics in making a decision in coming to final decision.

EMPLOYMENT

The project will retain 130 full-time jobs, and create an additional 10 by 2018 with an average salary of \$75,000 per year. The company currently has an annual payroll of \$17,106,000 at its Amherst location.

PILOT SCHEDULE

Based on the information contained within the application and applying it to the PILOT criteria, the project would be eligible for the Agency's 10 year PILOT policy as defined in the Countywide Eligibility Policy. During the abatement period, the project will pay an estimated \$469,172 in property taxes; \$160,722 to the Town of Amherst, \$66,664 to Erie County and \$241,785 to the Williamsville Central School District. The abatement will be on the estimated building value, years 1-3 at 90%, decreasing to 80% in years 4-6 and 70% over years 7-10, with the property paying 100% taxes in Year 11.

The vacant land currently generates approximately \$8,276 in annual Town, County and School taxes. Over the abatement period this amount would be \$82,760. Should this project proceed, the net revenue gain over the abatement period would be \$386,412.

Project Tax Savings

As a result of the Agency’s participation in this transaction, the project applicant would realize an estimated \$293,965 in sales tax savings, \$941,648 in property tax savings and \$59,150 in mortgage recording tax savings.

Upon a motion by Edward Stachura, seconded by Aaron Stanley and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”) AUTHORIZE COLUMBUS MCKINNON CORPORATION (THE “LESSEE”) TO ACQUIRE A PARCEL OF LAND AT 205 CROSSPOINT PARKWAY IN THE TOWN OF AMHERST, TO CONSTRUCT OF A NEW APPROXIMATELY 30,000 SQUARE FOOT CORPORATE HEADQUARTERS AND TRAINING CENTER THEREON AND TO ACQUIRE AND INSTALL NON-PRODUCTION MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH FOR LEASE TO THE AGENCY AND SUBLEASE BACK TO THE LESSEE, ALL FOR A CORPORATE HEADQUARTERS AND TRAINING FACILITY TO BE LEASED BY THE LESSEE TO THE AGENCY FOR SUBLEASE TO THE LESSEE.

II. Applicant

RAS Development Company
4755 North French Rd.
Amherst, New York 14228
Robert Savarino, Manager

Project Location

70-80 Meyer Road

Project Eligibility

- The purposes of an industrial development agency shall be to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities per Section 858 of General Municipal Law.
- The project is eligible as a housing facility primarily designed to be occupied by individuals sixty years of age or older under the Countywide Eligibility Policy and meets the additional criteria of a resolution passed by the Agency Board of Directors in January 2014.
- The project complies with the Town of Amherst Comprehensive Plan as it maintains and grows the tax base through a high quality development that includes job creation.

Project Description

The applicant is requesting authorization for a \$9,714,040 Lease Transaction for the construction and equipping of a 118,835 square foot, 101 unit, 4-story apartment building for senior citizens. The project is located at 70-80 Meyer Road and is within the Sweet Home Central School District.

The application states that the Meyer Road senior apartments shall entail the construction of a single, four story, wood framed, fully-sprinklered apartment building for senior citizen capable of living independently. The building shall contain a mixture of one and two bedroom apartments totaling 101

units. The apartments shall be 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 building is being designed specifically for senior citizens and is fully handicap accessible and all units are handicap adaptable.

The application states that IDA participation is necessary in order to make the project financially viable. The project is located in a lower to moderate income, older area of the Town. Rent affordability to this population requires incentives to offset projected operating expenses including the non-homestead property tax rate in the Sweet Home School District. The land was rezoned by the Town Board to MFR-7, which restricts occupancy to senior citizens defined as persons 62 years or older. The applicant has options on the land, but does not currently own it.

Employment

The project will create 2 full time and 3 part time employment opportunities after project construction is complete. The salary ranges for these positions are from between \$28,000 to \$65,000 annually.

PILOT Schedule

Based on the information contained within the application, the project would be eligible for the Agency's 7 Year PILOT. During the abatement period, the project would pay an estimated \$393,203 in property taxes; \$99,757 to the Town of Amherst, \$54,210 to Erie County and \$235,918 to the Sweet Home Central School District. The abatement will be on the estimated building value, years 1-2 at 10%, increasing to 20% in years 3-4 and going up to 30% over years 5-7, with the property paying 100% taxes in Year 8.

The parcels currently generate \$8,703 in annual town, county and school taxes. Over the abatement period this amount would be \$60,921. Should this project proceed, the estimated net revenue gain would be \$332,282.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$573,913 in sales tax savings, \$795,712 in property tax savings and \$103,950 in mortgage recording tax savings.

Project applicant, Rob Savarino, made a brief presentation to the board. The presentation addressed concerns the board discussed at the previous meeting regarding project criteria. Scott Allen of GAR Associates also addressed the board, along with applicant's attorney Sean Hopkins.

Board member Barry Weinstein told the board that he does not think that the IDA should subsidize senior housing.

Board member Edward Stachura questioned that if the IDA board didn't assist this type of project then who should/can? Mr. Stachura said that the project was a benefit to the community and noted that even with the PILOT, property tax would be increase 15 times over.

After a lengthy discussion, and upon a motion by Edward Stachura, seconded by Stuart Shapiro, votes of no by Barry Weinstein and Marshall Wood, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AUTHORIZE RAS DEVELOPMENT I, LLC OR A SINGLE PURPOSE LIMITED LIABILITY COMPANY TO BE FORMED (THE "LESSEE") TO ACQUIRE APPROXIMATELY 3.22 ACRES OF REAL PROPERTY LOCATED AT 70, 74 AND 80 MEYER ROAD, TO CONSTRUCT OF AN APPROXIMATELY 118,835 SQUARE FOOT 101 UNIT 4-STORY APARTMENT BUILDING FOR SENIORS CAPABLE OF INDEPENDENT LIVING AND TO ACQUIRE AND INSTALL MACHINERY, EQUIPMENT, FURNITURE AND FIXTURES REQUIRED IN CONNECTION THEREWITH, ALL FOR A SENIOR HOUSING FACILITY, FOR LEASE TO THE AGENCY AND SUBLEASE BACK TO THE LESSEE FOR RENTAL TO QUALIFIED SENIORS.

9:38 am – meeting adjourned.