

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

Minutes of the 417th Meeting

June 19, 2009 – 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
Robert L. Miller
John DeLuca
Randall Clark
Ayesha Nariman
Robert Ciesielski
James J. Allen, Executive Director
Nathan S. Neill, Esq.

ABSENT: Stuart Shapiro

GUESTS: AIDA Staff
David Robinson, Buffalo News
Jim Fink, Business First
Cheryl Klass, President, Women's and Childrens Hospital
Joe Fornasiero, Dopkins & Co.
Donna Litto, Uniland Development
Kellena Kane, Uniland Development
David Tytko, Uniland Development
Greg Tymchak, Diagnostic Imaging
Debbie Thomas, Diagnostic Imaging
Irv Levy, Exigence North America
Edward Stachura
Rich Brown, Citizens Bank

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

MINUTES

The minutes of the May 2009 meeting were approved as presented.

TREASURER'S REPORT

The Treasurer's Report for May 2009 was approved as presented.

BILLS & COMMUNICATIONS

There were no Bills & Communications at this meeting.

PUBLIC COMMENT

There were no comments from the public at this meeting.

EXECUTIVE DIRECTOR REPORT

Executive Director Allen reported that he, along with board members Rick Vilonen, John DeLuca and Stuart Shapiro, attended a recent economic development summit sponsored by the New York Organization Allied for Hope.

Mr. Allen also informed the board that he had recently attended a New Urbanism Seminar in Denver.

NEW BUSINESS

AUTHORIZATION RESOLUTIONS

Project Applicant

Exigence North America, LLC
One John James Holdings, LLC
6653 Main Street
Amherst, New York 14221
Irving Levy, CFO

Request

Company is requesting Agency consent for a \$2,560,000 Lease Transaction for the renovation and equipping of their new offices at One John James Audubon Parkway, located within the Williamsville Central School District. The NAICS for this company is 5611 (Administrative Services), the making the project eligible for assistance pursuant to the countywide eligibility policy.

Exigence North America, LLC is a medical management services company that develops and manages customized Emergency Medicine, Hospitalist, Urgent Care, and Occupational Medicine programs and facilities throughout the United States. Exigence also provides consulting services in areas such as Emergency Department design, electronic medical record systems, urgent care management, rapid response programs and on-call panels.

The company has entered into a contract to purchase an existing 20,000 square foot multi-tenant facility located at One John James Audubon Parkway. Exigence will occupy 10,000 square feet with the remainder to be leased by two existing tenants. Company will be relocating and consolidating from 3,300 square feet at 6653 Main Street and 2,500 square feet from 8180 Main Street. The new facility will offer a single office solution greatly improving efficiencies lost as a result of operating from multiple offices.

Applicant states that “the assistance of the Amherst IDA is required for a number of reasons.

Exigence has successfully grown in Western New York. However as Exigence continues to grow we face certain competitive disadvantages associated with our location in Western New York. In excess of 50% of our business now comes from outside WNY. More than 75% of our business is located outside of Erie County. Virtually all of our future expansion planned is located outside of NYS or Erie County. Our major business partners are located outside of New York and to a large extent are located in Florida. We have been offered substantial incentives to re-locate our business operations to Southern states. We have found that our major competition and access to trained staff is more readily available in Southern states. We have found it difficult and expensive to recruit to WNY. We have found that with more of our earnings being generated outside of NYS we are at a competitive disadvantage resulting from the high taxes in NYS. We have found that we could reduce our operation costs by relocating our administrative offices of NYS. We have found that we could gain operational efficiencies by relocating to a city with a major hub airport. We believe that the incentives are critically necessary to afford us the opportunity to compete in a national marketplace.

Employment

Project will retain 16 jobs in Amherst and create an additional 7 upon completion – 6 full time and 1 part time. Upon completion of the project, the estimated annual payroll is projected at \$1,700,000.

PILOT Schedule

No PILOT is being requested on the project.

Exemptions

Applicant would realize approximately \$55,563 in sales tax exemption and an estimated \$25,600 in mortgage tax exemption.

Recommendation: approval

After a brief discussion, and upon a motion by Robert Miller, seconded by Randall Clark, a vote of no by Robert Ciesielski, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE ONE JOHN JAMES HOLDINGS, LLC (THE "LESSEE") AND EXIGENCE NORTH AMERICA, LLC (THE "SUBLESSEE") TO ACQUIRE AN EXISTING APPROXIMATELY 20,000 SQUARE FOOT BUILDING LOCATED AT ONE JOHN JAMES AUDUBON PARKWAY, TO RENOVATE THE EXISTING BUILDING AND TO ACQUIRE AND INSTALL MACHINERY, EQUIPMENT, FURNISHINGS AND FIXTURES REQUIRED IN CONNECTION THEREWITH, ALL FOR THE CORPORATE HEADQUARTERS FOR EXIGENCE NORTH AMERICA, LLC, WHICH FACILITY SHALL BE LEASED BY ONE JOHN JAMES HOLDINGS, LLC TO THE AGENCY SUBLEASED BACK TO ONE JOHN JAMES HOLDINGS, LLC AND SUB-SUBLEASED TO EXIGENCE NORTH AMERICA, LLC WITH A PORTION OF THE BUILDING TO BE LEASED TO OTHER TENANTS FOR A MULTI-TENANT OFFICE FACILITY AND TO TAKE OTHER PRELIMINARY ACTION.

Project Applicant

Diagnostic Imaging Associates, LLP
100 College Parkway
Amherst, New York 14221

Request

Company is requesting Agency consent for a \$3,107,422 Installment Sale Transaction for the, expansion, renovation and equipping of their existing leased space located at 100 College Parkway, within the Williamsville Central School District. Company currently occupies 9,646 square feet. Upon completion of the project the square footage will increase to 15,291 square feet. The NAICS for this company is 62111. This NAICS has not been designated by the Countywide Policy to be generally eligible or ineligible, but may be considered for financial assistance by an IDA in its discretion.

Diagnostic Imaging Associations, LLP, is a comprehensive diagnostic imaging center.

Applicant states “the company is desirous of expanding its service delivery capabilities to the people of Amherst as well as Erie County. Diagnostic Imaging Associates wants to expand its imaging capability through the use of state of the art imaging equipment and to create a new Women’s Imaging center within the current building. There are few 3T MRI’s in the Amherst area and none that have the software contemplated for the 3T MRI to be acquired as part of the project.

The application also states, “the 3T MRI will provide improved access to Breast MRI and improved imaging of the breast spectroscopy and a newly developed 16 channel breast coil. Recent studies have shown the 3T MRI to be superior to the 1.5T MRI’s that are currently being used in the area. Breast spectroscopy is a cutting edge technology to help determine if a lesion is cancerous. Since this technology is still being explored, it will also allow us to participate in the research of this technique.”

Applicant says Agency participation is necessary in order to lower the overall cost of the project so that leading edge technology can be installed to allow for improved access and expanded choice for Women’s breast health in the area. Without AIDA participation, the proposed 3T MRI unit with spectroscopy and advanced breast coil technology would be cost prohibitive. The inability to afford the purchase will also limit the ability to attract highly trained physicians to the area because of the lack of leading edge technology.

Employment

Project will retain 56 jobs in Amherst and create an additional 7 upon completion, five full time and two part time. Upon completion of the project, the estimated annual payroll is projected increase from \$984,000 to \$1,573,000.

PILOT Schedule

No PILOT is being requested on the project.

Exemptions

Applicant would realize approximately \$253,962 in sales tax exemption and an estimated \$30,175 in mortgage tax exemption.

Recommendation: approval

Upon a motion by Randall Clark, seconded by John DeLuca 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 DIAGNOSTIC IMAGING ASSOCIATES, LLP AND OTHER INSTRUMENTS AND MATTERS IN CONNECTION THEREWITH

II. REFINANCING TRANSACTION

The Uniland Partnership of Delaware, LP – Company is requesting Agency consent to refinance its 2000, \$1,731,300 lease transaction which was financed through the proceeds of a \$1,450,000 mortgage. The current balance on the mortgage is \$1,078,211. The original project involved the construction of a 36,000 square foot multi-tenant facility located at 425CrossPoint Pkwy.

The amount of the refinancing is \$1,700,000. The proceeds will be used for paying off the current mortgage, prepayment premium and closing costs. The remaining funds may be used for future investment projects.

Evans National Bank will provide the financing for this transaction.

The PILOT expires in 2012 and will not be affected by this transaction.

Recommendation: approval

Upon a motion by Randall Clark, seconded by John DeLuca and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE THE EXECUTION AND DELIVERY OF A MORTGAGE IN AN AMOUNT NOT TO EXCEED \$1,700,000, AN ASSIGNMENT OF RENTS, IF REQUIRED, AND AN AMENDED AND RESTATED LEASE AGREEMENT IN CONNECTION WITH THE REFINANCING OF THE 2000 425 CROSSPOINT PARKWAY PROJECT, AND FURTHER AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS IN CONNECTION THEREWITH.

9:53 AM – Meeting adjourned