

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

Minutes of the 409th Meeting

May 16, 2008 – 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 P. DeLuca
Randall Clark
Robert Ciesielski
Stuart Shapiro
James J. Allen, Executive Director
Nathan S. Neill, Esq.

ABSENT: Ayesha Nariman

GUESTS: AIDA Staff
Edward Stachura
David Tytko, Uniland Development
Eric Tudor, Caldwell Banker
Jonathan Epstein, Buffalo News
James Cullinan

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

MINUTES

The minutes of the April 2008 meeting were approved as presented.

TREASURER'S REPORT

The Treasurer's Report for April 2008 was approved as presented.

BILLS & COMMUNICATIONS

There were no Bills and Communications presented at this meeting.

PUBLIC COMMENT

There was no Public Comment at this meeting.

EXECUTIVE DIRECTOR REPORT

Executive Director Allen stated that he participated at the most recent NERC (Niagara Erie Regional Coalition). At the meeting the group discussed regionally significant issues and focused primarily on smart permitting.

Mr. Allen reported that he has had several meetings with representatives of the Village of Williamsville regarding the Mill property and how the Agency could play a role in assisting with its restoration.

UNFINISHED BUSINESS

APPOINTMENT OF AIDA SECRETARY

Randall Clark agreed to be appointed as Secretary of the Agency.

NEW BUSINESS

AUTHORIZATION RESOLUTION

Project Applicant

Michael A. Tona/LLC to be determined
207 Commerce Drive
Amherst, NY 14228

Request

Company is requesting Agency consent to an Assignment and Assumption of Lease from 207 Commerce Court Associates for property located at 207 Commerce Drive in the Audubon Industrial Park. Medical Management Services, the sole tenant in the facility, will remain. The purchase price for the transaction is \$1,100,000.

In 1985, the Agency assisted in the construction of the original 12,000 square foot facility. The facility was home to Medical Management Services, a third party medical billing company that employed 39. The tax abatement on that portion of the facility expired in 1996 and the property went back to the tax rolls and began paying full taxes and employed 100. In 2002 the Agency participated in the 5,000 square foot expansion of the facility and came back into title of the property. The addition received a fifteen year tax abatement which is scheduled to expire 2018. The original 12,000 square foot portion of the facility continues to pay the full equivalent of taxes.

The Assignment and Assumption of Lease will only change ownership of the facility and allows Medical Management Services to continue on as sole occupant while keeping the current PILOT agreement in place.

EMPLOYMENT

Project will retain 109 jobs at their current location and it is estimated that an additional 10 full time jobs will be created within two years. Payroll is expected to increase from \$2,500,000 to \$2,750,000.

PILOT SCHEDULE

Currently there is a 15-year tax abatement on the property which is scheduled to expire in 2018. Applicant is requesting Agency consent maintain the existing tax abatement program. The lease between Mr. Tona (LLC to be determined) and Medical Management Services is based on the current PILOT remaining in place.

Project Tax Savings

As a result of the Agency’s consent to this transaction, no additional tax savings other than those already granted (PILOT) for the property would be realized. Based on current tax rates and assessment, the property tax savings over the remainder of the abatement period is estimated at \$54,694.

The Applicant is requesting a reduction in the Agency’s fee for this transaction. The Agency fee is 1% of the transaction value, which in this case would be \$11,000.

The applicant is requesting the Agency fee be adjusted to 1% of the current assessed value of the expansion portion of the facility only, as it is the only piece receiving IDA benefit. The current assessed value is \$357,000, which would reduce the Agency fee to \$3,570.

Recommendation

Approval to the Assignment and Assumption of Lease
Approval to the request for fee reduction.

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

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY APPROVE THE ASSIGNMENT TO AND ASSUMPTION BY MICHAEL A. TONA, ON BEHALF OF A LIMITED LIABILITY COMPANY TO BE FORMED OF THE LEASEHOLD INTEREST OF CHARLES S. TIRONE AND ANNE R. TIRONE IN THE 2002 207 COMMERCE DRIVE PROJECT

Upon a motion by Robert Miller, seconded by John DeLuca and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY APPROVE THE REDUCTION OF THE FEE FOR THE ASSIGNMENT AND ASSUMPTION BY MICHAEL A. TONA, ON BEHALF OF A LIMITED LIABILITY COMPANY TO BE FORMED, OF THE LEASEHOLD INTEREST

**OF CHARLES S. TIRONE AND ANNE R. TIRONE IN THE 2002
207 COMMERCE DRIVE PROJECT OF THE AGENCY**

AUTHORIZATION RESOLUTION

APPLICANT

Key Bank National Association
3920 Main Street
Amherst, New York 14226

REQUEST

Applicant is requesting authorization for an Installment Sale Transaction in an amount not to exceed \$3,328,845 for the renovation and equipping of their operational call center servicing the Northeast Region of the US. Project is located at 3920 Main Street and is located within the Amherst Central School District and town board designated redevelopment area. The NAICS for this is 5614 (Business Services), thus qualifying it under the countywide eligibility policy.

The Agency first assisted the applicant in 1988 for the renovation and conversion of an existing 138,000 clothing store to this existing back office banking facility. The property tax abatement has expired and property began paying the full equivalent of taxes in 1998.

The application states *“this project will enable Key Bank to remain in the Amherst location. In 2007, Key Bank conducted an extensive alternative site search for comparable space. We concluded, that with appropriate funding available through the Amherst IDA, we could revamp our premises, retain employees, gain new employees and continue to service and operate in the Amherst market. This project will allow Key Bank to substantially upgrade our building facility, surrounding grounds and technology infrastructure necessary for enhanced customer service and employee retention.”*

The applicant also states that Agency participation is necessary because the sales tax incentive is an integral part of their decision making process in defining their scope of work and proceeding with this project. They also state that without the tax saving benefits, they would be forced to redefine and reduce their scope of work related to this facility.

EMPLOYMENT

Project will retain 400 jobs and create 25 new jobs. The present payroll of \$15,983,164 will increase to an estimated \$16,618,624 upon completion of the project.

PILOT SCHEDULE

Applicant is not requesting a PILOT from the Agency.

Project Tax Savings

As a result of the Agency’s participation in this transaction, the project applicant will realize an estimated \$118,491 in sales tax savings on the estimated \$1,354,188 of the investment that is

subject to sales tax.

Recommendation

Approval – Please see attached Economic Impact Analysis

There was a lengthy discussion on the benefits of the project and the Agency's participation.

Upon a motion by Randall Clark, seconded by John DeLuca, a vote of no by Robert Ciesielski and Stuart Shapiro, a vote of aye by Robert Miller and Fredrick Vilonen, it was

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

9:16 am – Meeting adjourned.