

**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**  
**Minutes of the 431<sup>st</sup> Meeting**  
**November 19, 2010 – 8:30 am**  
**Agency Offices, 4287 Main Street**

The meeting of the above captioned Corporation was called to order by Vice Chairman Randall A. Clark.

PRESENT:	Randall Clark John DeLuca Ayesha Nariman Stuart Shapiro Aaron Stanley James Allen, Executive Director Nathan Neill, Esq. Steven Sanders, Town Board Liaison
EXCUSED:	Fredrick A. Vilonen Robert M. Ciesielski
GUESTS:	AIDA Staff David Robinson, Buffalo News Jim Fink, Business First Dave Tytka, Uniland Development Dave Winter, TP Woodside Lynette Nisbett, Prometheus Books Steve Kurtz, Prometheus Books Sean Hopkins, Esq. David Chiazza, Iskalo Development Matt Roland, Iskalo Development

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

**MINUTES**

The minutes of the October 2010 meeting were approved as presented.

**BILLS & COMMUNICATIONS**

Executive Allen informed the board that the Agency will no longer be allowed to purchase its health insurance through the Town of Amherst but instead is working with the Amherst Chamber of Commerce to secure coverage.

**TREASURER'S REPORT**

The Treasurer's Report for October 2010 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 there was a very good turnout for the speaking engagement of David Rouse. Mr. Rouse was retained by the Agency and the TOA Planning Dept to discuss trends in planning as they relate to redevelopment.

Mr. Allen also told the board that the ICIB is in the process of revising the maps for the Enhancement Areas within the Town of Amherst.

Mr. Allen reported that he attended a Town Board work session and spoke about the reasons the IDA was recreated, which in part is to implement the Master Plan for the Town along with job creation.

### **UNFINISHED BUSINESS**

There was no Unfinished Business at this meeting.

### **NEW BUSINESS**

#### **I. AUTHORIZATION RESOLUTION**

##### **APPLICANT**

Waldex Holdings, LLC  
c/o Schunk, Wilson & Co  
3980 Sheridan Dr  
Amherst, NY 14226

##### **PROJECT LOCATION**

9500 Transit Road

##### **REQUEST**

The applicant is requesting authorization for a \$20,400,000 Lease Transaction for the construction and equipping of two, 100 unit 3-story apartment buildings for senior citizens. The project is located at 9500 Transit Road within the Williamsville Central School District and is eligible under the Countywide Eligibility Policy.

The application states that “the project entails the construction of (2) 100 unit 3-story buildings wood frame, fully sprinklered apartment building for senior citizens capable of living an independent lifestyle. The building will incorporate a mixture of one and two bedroom apartments. All apartments will contain a full kitchen with appliances, full bath, living/dining area, air conditioning and exterior patio or balcony. Exterior parking, including a limited number of garages, will be provided. The apartments are rented exclusively to senior citizens 55 years of age and greater. It is anticipated that most residents will come from the Amherst area and that approximately 90% of the building’s residents are those that currently reside in Erie County.”

The applicant states that Agency participation is necessary because, “a sales tax and property tax exemption will allow Waldex, LLC to pass along this savings to the residents by reducing rents thus making them more affordable for the age group that will be served by this project.” The market study prepared by Northeastern Appraisal Associates details that only with some form of tax subsidy can they meet the market rent targets \$750/month for the one bedroom units and \$850/month for the two-bedroom units.

##### **EMPLOYMENT**

The project will create 4 employment opportunities upon completion, 3 full-time and 1 part-time. Payroll is estimated to be \$135,200 annually.

##### **PILOT SCHEDULE**

Based on the information contained within the application and applying it to the PILOT criterion, the project would be eligible for the Agency’s 7-year PILOT policy. During the PILOT period, the project will pay an estimated \$1,250,994 in property taxes; \$546,474 to the Town of Amherst, \$162,534 to Erie County and \$541,986 to the Williamsville Central School District.

The vacant land currently generates \$18,251 in annual town, county and school taxes. Over the benefit period this amount would be \$127,757. Should this project proceed, the net revenue gain would be \$1,123,237.

### **Project Tax Savings**

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$630,000 in sales tax savings, \$2,225,850 in property tax savings and \$180,000 in mortgage recording tax savings.

### **Recommendation**

Approval

Upon a motion by John DeLuca, seconded by Ayesha Nariman and unanimously carried, it was

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE WALDEX HOLDINGS, LLC (THE "LESSEE") 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 BUILDING 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 THE LESSEE FOR RENTAL TO QUALIFIED SENIORS AND TO TAKE OTHER PRELIMINARY ACTION.**

## **II. AUTHORIZATION RESOLUTION**

### **APPLICANT**

T.P. Woodside, Inc./Quality Plus, Inc.  
60 Lawrence Bell Drive, LLC  
60 Lawrence Bell Drive  
Amherst, New York 14421  
David P. Winter, CEO

### **REQUEST**

The applicant is requesting authorization for a \$750,000 Lease Transaction for the construction of a 6,400 square foot addition to their existing 8,800 square foot office/warehouse facility. The NAICS for this type of company is 423700 (distribution services) which is eligible under the County-wide Eligibility Policy. The project is located within the Williamsville Central School District.

T.P. Woodside was started in 1976 by Tom & Claire Woodside as a manufacturer's representative sales firm. Company was primarily a heating, ventilation and air conditioning (HVAC) solutions provider of applied HVAC equipment. Over the year, the areas T.P. Woodside, Inc. has provided HVAC solutions in the local WNY community for school projects, colleges/universities, hospitals, healthcare insurance providers, industrial and pharmaceutical companies.

In 1996 Quality Plus, Inc. was formed as a parts and services business in order to continue to support the growth of T.P. Woodside.

In 2005, Tom and Claire Woodside sold both businesses to Eric Achman, Greg Snyder and David Winter, employees of T.P. Woodside. Today both companies continue to grow to meet the needs of their customers. The Woodsides continue to be employees of the company.

Both companies were formed based on a need for a strong "Total Solutions" company for the HVAC and data center industries. They have both grown by meeting the demands and needs of their customers and need to expand their current facility.

The additional space will be used for office/training and the remaining space will be used for additional file and parts storage.

The applicant states that Amherst IDA participation is necessary to provide financial relief from the costs of a large capital expansion that they must do in order to sustain their business. The company explored buildings in other communities including Buffalo, Cheektowaga and West Seneca and decided that expanding its existing building is financially feasible with incentives.

### **EMPLOYMENT**

Project will retain 30 jobs, 28 full-time and 2 part-time. An estimated 2 full time positions will be created upon completion of the project. It is estimated that the existing \$1,554,550 payroll will increase to \$1,634,550.

### **PILOT SCHEDULE**

Based on the information contained within the application and applying it to PILOT criterion, the expansion project would be eligible for the Agency's 7 year PILOT policy. During the PILOT period, the project will pay an estimated \$110,666 in property taxes; \$34,391 to the Town of Amherst, \$17,597 to Erie County and \$58,678 to the Williamsville Central School District.

The main parcel currently generates approximately \$12,025 in annual Town, County and School taxes. Over the benefit period this amount would be \$84,175. The main parcel will continue to pay the full equivalent of taxes during the benefit period of the expansion project. The net revenue gain over this time is estimated at \$26,491.

### **PROJECT TAX SAVINGS**

As a result of the Agency's participation in this transaction, the project applicant will realize an estimated \$38,000 in sales tax savings and \$59,356 in property tax savings.

### **RECOMMENDATION**

Approval

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

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE 60 LAWRENCE BELL DRIVE LLC (THE "LESSEE") TO CONSTRUCT AN APPROXIMATELY 6,400 SQUARE FOOT OFFICE/TRAINING ADDITION TO AN EXISTING APPROXIMATELY 8,800 SQUARE FOOT BUILDING LOCATED AT 60 LAWRENCE BELL DRIVE, AMHERST, NEW YORK AND AUTHORIZING T. P. WOODSIDE, INC. AND QUALITY PLUS, INC. (COLLECTIVELY, THE "SUBLESSEE") TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A SINGLE-TENANT OFFICE AND DESIGN FACILITY FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEE FOR SUB-SUBLEASE TO THE SUBLESSEE AND TO ENTER INTO AN INSTALLMENT SALE AGREEMENT OR EQUIPMENT**

## LEASE AGREEMENT WITH THE SUBLESSEE AND TO TAKE OTHER PRELIMINARY ACTION.

### III. AUTHORIZATION RESOLUTION

#### **APPLICANT**

Prometheus Books, Inc.  
59 John Glenn Dr  
Amherst, New York 14228  
Jonathan Kurtz, President

#### **REQUEST**

The applicant is requesting authorization for a \$236,057 Lease Transaction for the construction of a 4,800 square foot addition to their existing warehouse facility. The NAICS for this type of company is 511130 (distribution services) which is eligible under the County-wide Eligibility Policy. The project is located within the Sweet Home Central School District.

Prometheus Books is an independently owned publishing house and one of the largest outside New York City. They have been in business for 41 years and have concentrated on nonfiction titles dealing with critical thinking, popular science, social science, healthcare, history, true crime and philosophy among others. Their offices in Amherst house their editorial, typesetting, art design, advertising, publicity, sales, order fulfillment, customer services, accounting and shipping departments. The application states that 99% of their revenue is derived from outside Erie County and eighty-five percent is derived from outside New York State.

The project is a 4,800 square foot addition to their existing warehouse. It will also include racking for storage of books and an upgrade of warehouse computers and software to comply with vendor requirements of electronic data integration.

AIDA assistance is necessary as the company has explored out of state alternatives. The applicant states that all functions of sales, customer service, order fulfillment and shipping could be absorbed by a consolidator and would in turn save Prometheus Books payroll and administrative costs. The alternative to expanding its warehouse is to have sales, order fulfillment, customer service and shipping done by a consolidator outside New York and has investigated using the services of a firm in Pennsylvania.

#### **EMPLOYMENT**

This expansion project will retain 11 warehouse jobs, 9 full-time and 2 part-time. An estimated 2 full time positions will be created upon completion of the project. It is estimated that the existing \$308,000 payroll for these positions will increase to \$356,000.

#### **PILOT SCHEDULE**

Based on the information contained within the application and applying it to PILOT criterion, the expansion project would be eligible for the Agency's 7 year PILOT policy. During the PILOT period, the project will pay an estimated \$181,564 in property taxes; \$38,573 to the Town of Amherst, \$29,040 to Erie County and \$113,951 to the Sweet Home Central School District.

The main parcel currently generates approximately \$24,391 in annual Town, County and School taxes. Over the benefit period this amount would be \$170,740. The main parcel will continue to pay the full equivalent of taxes during the benefit period of the expansion project. The net revenue gain over this period is estimated at \$10,824.

### **PROJECT TAX SAVINGS**

As a result of the Agency's participation in this transaction, the project applicant will realize an estimated \$12,665 in sales tax savings, \$28,954 in property tax savings and an estimated \$2,360 in mortgage tax savings.

### **RECOMMENDATION**

Approval

Upon a motion by Stuart Shapiro, seconded by John DeLuca and unanimously carried, it was

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE PAUL KURTZ (THE "LESSEE") TO CONSTRUCT AN APPROXIMATELY 4,800 SQUARE FOOT WAREHOUSE ADDITION TO HIS EXISTING BUILDING LOCATED AT 59 JOHN GLENN DRIVE, AMHERST, NEW YORK WHICH BUILDING IS OWNED BY THE LESSEE AND LEASED TO PROMETHEUS BOOKS, INC. (THE "SUBLESSEE") AND AUTHORIZING THE SUBLESSEE TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A BOOK PUBLISHING, SALES AND AND DISTRIBUTION FACILITY FOR SALE TO THE AGENCY AND SUBSEQUENT LEASE TO THE LESSEE FOR SUBLEASE TO THE SUBLESSEE WITH THE EQUIPMENT TO BE LEASED TO THE SUBLESSEE OR SOLD TO THE SUBLESSEE PURSUANT TO AN INSTALLMENT SALE TRANSACTION AND TO TAKE OTHER PRELIMINARY ACTION.**

### **IV. AUTHORIZATION RESOLUTION**

#### **APPLICANT**

Iskalo Development Corp on behalf of an entity to be formed  
5166 Main Street  
Amherst, New York 14221  
David Chiazza, EVP

#### **PROJECT LOCATION**

5727 Main Street (former Pit Petri building)

#### **REQUEST**

The applicant is requesting authorization for a \$1,705,000 Lease Transaction for the acquisition, redevelopment, renovation and equipping of an existing 7,550 square foot facility located at 5727 Main Street. This project is an Adaptive Re-Use of an office/retail facility which has been nearly vacant since April 2009. The project is eligible under the County-Wide Eligibility Policy as a Neighborhood Enhancement Area Project.

The application states that the building consists of two tenant suites; a retail suite (facing Main Street) and an office suite (facing the rear of the property). Improvements to the property would include an undertaking of deferred maintenance, roof replacement, HVAC unit replacement, façade enhancement and site reconfiguration to improve parking and circulation. The application also states that while the specifications for the roof are not finalized at this time, the Iskalo "standard" for roofing exceed the specifications for the existing roof which will enhance the durability and energy efficiency. Similarly, the new roof top HVAC units will replace other technology (and less energy efficient) units that are more than 15 years old.

The applicant states that AIDA benefits are required to help offset some of the cost of repositioning the property so as to keep tenant occupancy costs within the relative range for this submarket. Though no lease has been executed, Iskalo has identified a prospective tenant for the primary suite facing Main Street that would be new to the Buffalo area. This tenancy is dependent upon investment in the building to undertake deferred maintenance and to make other improvements to the site and building that, without the benefits derived from the AIDA Enhancement Program, would result in a rent that would be well above the relevant market range for this property and the prospective tenant. If the AIDA inducement is not granted, the proposed project improvements would have to be substantially reduced in scope which would nullify the interest of the prospective tenant and result in our not proceeding with the acquisition of the property. Given the 18 + month duration of vacancy of the primary suite, and the pending vacancy of the rear office suite, it is reasonable to assume that the status of the building would continue to decline which would be a detriment to the overall well being of the Village of Williamsville commercial district.

### **EMPLOYMENT**

It is estimated that the project will create 18 full-time equivalent employment opportunities upon completion. Payroll is estimated to be \$740,000 annually.

### **PILOT SCHEDULE**

Based on the information contained within the application and applying it to the PILOT criterion, the project would be eligible for the Agency's 485(b) PILOT schedule. During the benefit period, the project will pay an estimated \$242,876 in property taxes; \$60,194 to the Town of Amherst, \$14,935 to the Village of Williamsville, \$38,700 to Erie County and \$129,047 to the Williamsville Central School District.

The parcel currently generates approximately \$18,512 in annual Town, Village, County and School taxes. Over the benefit period this amount would be \$185,123. It will continue to pay the full equivalent of taxes during the benefit period. The net revenue gain over this time is estimated at \$57,753.

### **Project Tax Savings**

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$21,875 in sales tax savings, \$18,645 in property tax savings and \$15,000 in mortgage recording tax savings.

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

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE ISKALO DEVELOPMENT CORP. ON BEHALF OF A LIMITED LIABILITY COMPANY TO BE FORMED (THE "LESSEE") TO ACQUIRE AN APPROXIMATELY .50 ACRE PARCEL OF LAND WITH AN EXISTING APPROXIMATELY 7,550 SQUARE FOOT RETAIL/OFFICE BUILDING LOCATED AT 5727 MAIN STREET, IN THE MAIN STREET ENHANCEMENT ZONE IN THE VILLAGE OF WILLIAMSVILLE, TOWN OF AMHERST, NEW YORK AND TO RENOVATE THE EXISTING BUILDING, ALL FOR A MULTI-TENANT RETAIL/OFFICE FACILITY FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEE FOR SUB-SUBLEASE TO OTHER TENANTS, AND TO TAKE OTHER PRELIMINARY ACTION.**

### **MORTGAGE TRANSACTIONS**

#### **I. Second Mortgage Transaction**

**S & K Realty, LLC** - Company is requesting Agency consent to a second mortgage financing transaction for their project located at 155 CrossPoint Parkway. Project was induced in May 1999 and closed in

January 2000. Project was for the construction of a 40,500 square foot single tenant facility for ATTO Technology. ATTO Technology designs and manufactures state-of-the-art high performance hardware and software for data delivery systems. The project was in the amount of \$3,486,000. The amount of the second mortgage being requested is \$700,000 and proceeds will be used for renovation and reconfiguration of the R & D and manufacturing departments. Applicant has informed the Agency that because the purchases being made for the reconfiguration are for research and development, they are tax exempt and thus, the applicant is not seeking IDA incentives on this project.

HSBC Bank will provide the financing for this project.

The PILOT will not be affected by this transaction. The project begins to pay full taxes in 2015.

Applicant is also requesting that the Agency fee be eliminated or reduced due to the nature of the second mortgage.

Recommendation: Approval of the second mortgage transaction. Agency staff recommends a reduced fee to one-half of 1% of the second mortgage amount because the Agency is providing minimal benefits to this project.

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

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE THE EXECUTION AND DELIVERY OF A SECOND MORTGAGE AND THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND AGREEMENTS REQUIRED IN CONNECTION THEREWITH IN CONNECTION WITH THE APPLICATION FOR SUPPLEMENTAL FINANCING FOR THE 1999 S & K REALTY/AMHERST LLC PROJECT**

And also:

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY REDUCE ITS FEE TO ONE-HALF OF 1% OF THE SECOND MORTGAGE AMOUNT BECAUSE THE AGENCY IS PROVIDING MINIMAL BENEFITS TO THIS PROJECT.

## **II. Third Mortgage Transaction**

**Iskalo Offices Holding III, LLC** – The company is requesting Agency consent to a third mortgage transaction together with a Mortgage Consolidation Agreement with one or more prior mortgages on the project. The project is located at 2410 North Forest Road. It was induced in August 2006 and closed in January 2008. The project involved the construction of an 80,000 square foot multi-tenant office facility. The first mortgage, in the amount of \$14,750,000, was issued when the Agency closed on the project in 2008. The Agency approved a second mortgage transaction in the amount of \$450,000 in April 2010. Company is now requesting a third mortgage in the amount of \$2,800,000. The additional proceeds from this transaction will fund the hard construction costs related to the project, along with enabling the applicant to consolidate one or more of the mortgages at closing.

M & T Bank will continue to provide the financing for this project.

The PILOT will not be affected by this transaction. It is scheduled to commence upon completion of the facility which is anticipated for September 2011.

Upon a motion by Ayesha Nariman, 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 THIRD MORTGAGE IN THE PRINCIPAL AMOUNT OF \$2,800,000 ON THE 2008 2410 NORTH FOREST ROAD PROJECT TOGETHER WITH A MORTGAGE CONSOLIDATION AGREEMENT TO CONSOLIDATE THE THIRD MORTGAGE WITH ONE OR MORE PRIOR MORTGAGES ON THE PROJECT, IF REQUIRED, AND FURTHER AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH.**

9:10 am – Meeting adjourned.