

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

Minutes of the 413th Meeting

October 17, 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
Randall Clark
Ayesha Nariman
Stuart Shapiro
James J. Allen, Executive Director
Nathan S. Neill, Esq.

EXCUSED: John P. DeLuca
Robert Ciesielski

GUESTS: AIDA Staff
David Robinson, Buffalo News
Jim Fink, Business First
John Garas, Esq., Superior Design
Butch Kruez, Advantage Co.

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

MINUTES

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

TREASURER'S REPORT

The Treasurer's Report for September 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 reported that the recent SBA Workshop of which the Agency was a co-sponsor was a success, with nearly 100 small business owners in attendance. Mr. Allen told the board the Agency was in discussion with the SBA to co-host another workshop in the Spring.

COMMITTEE REPORTS

Finance Committee – Approval of 2009 Budget Recommendations

The Finance Committee met on Tuesday, October 15th to review the final 2009 budget recommendations and any comments received for the Amherst Town Board. There were no comments received and the finance committee recommends approval of the 2009 budget.

After a brief discussion, the board approved the 2009 budget recommendations on the condition that the budget notes reflect the 2008 budget adjustments made in September.

Upon a motion by Robert Miller, seconded by Randall Clark and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY APPROVE THE 2009 BUDGET RECOMMENDATIONS ON THE CONDITION THAT THE BUDGET NOTES REVELED THE 2008 BUDGET ADJUSTMENTS MADE IN SEPTEMBER.

UNFINISHED BUSINESS

Amendment to Authorization Resolution – Tops Markets, Inc.

Company is requesting an amendment to the January 2008 authorization resolution, which authorized a \$22,500,000 Installment Sale transaction for the renovation and equipping of their leased space located at 6363 Main Street. The company has informed the Agency that due to their rapid growth, they have recently leased an additional 7,000 square feet at 6363 Main Street, and require an additional 23,000 square feet at 75 Earhart Drive.

The company requests that the 75 Earhart Drive facility be included in the authorization resolution adopted in January. The amount originally induced, \$22,500,000, will not change.

Upon a motion by Randall Clark, seconded by Ayesha Nariman and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AMEND THE PRIOR RESOLUTION ADOPTED ON JANUARY 18, 2008, AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT WITH TOPS MARKETS, LLC AND OTHER INSTRUMENTS AND MATTERS IN CONNECTION THEREWITH TO AUTHORIZE CONSTRUCTION OF IMPROVEMENTS AND THE ACQUISITION OF MACHINERY, EQUIPMENT, FURNISHINGS AND FIXTURES AT 75 EARHART DRIVE IN ADDITION TO 6363 MAIN STREET

Authorization Resolution – Uniland Development I, LLC (580 CrossPoint – Citibank Project)

Company requested Agency authorization of a mortgage resolution for permanent financing in the amount of \$33,200,000. The Agency authorized the project in January 2007. The project involved the construction of a single tenant office facility totaling 156,000 square feet. The Agency closed on the construction financing in January 2008.

First Niagara Bank and M & T Bank are providing the financing for this project.

Upon a motion by Ayesha Nariman, seconded by Randall Clark and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE THE EXECUTION AND DELIVERY OF A MORTGAGE IN THE AMOUNT NOT TO EXCEED \$33,200,000, AN AMENDED AND RESTATED LEASE AGREEMENT IN CONNECTION WITH THE 2008 580 CROSSPOINT PARKWAY PROJECT, AND FURTHER AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH.

NEW BUSINESS

AUTHORIZATION RESOLUTIONS

Project Applicant

Stenclik Building, LLC
Superior Design III
250 International Drive
Amherst, NY 14221
Richard R. Stenclik, Sole member

Request

Company is requesting Agency consent for a \$1,300,000 Installment Sale Transaction for the equipping of an existing 24,000 square foot office facility located at 250 International Drive. The NAICS for this company is 561330, thus qualifying it under the county-wide eligibility policy.

Superior Technical Resources provides administrative services, temporary staffing services and managed business services. Eighty – five percent of the company’s gross revenue is derived from outside New York State. They serve a global market. The markets served include the United States, Canada, the UK, South America, Asia and India.

This would be the fourth project the company has done with the Agency. In 1985, the Agency approved the construction of the original 20,000 square foot facility. Employment at that time was 9 and has since grown to 164. The Agency closed on a 4,000 square foot expansion and renovation project in August 2006 and a \$1,100,000 Installment Sale Transaction in 2007.

Applicant states that this project involves the acquisition of additional equipment not contemplated at the time of application for the 2006 project. They state that given the global nature of their business, they require state of the art communications equipment. The purchase of the telephone and teleconferencing equipment will enable them to retain their administrative and supervisory positions in Amherst.

Employment

Project will retain 164 jobs in Amherst with an annual estimated payroll of \$7,879,546.

PILOT Schedule

No PILOT is being requested on the project.

Exemptions

Applicant would realize approximately \$113,750 in sales tax exemption.

The board entered into a lengthy discussion in regard to the application process and the possibility of making changes to the application in order to attain more detailed information in terms of financing costs and job projections from the applicant.

Upon a motion by Robert Miller, seconded by Randall Clark and a vote of no by Stuart Shapiro, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE
AGREEMENT WITH STENCLIK BUILDING, LLC AND OTHER INSTRUMENTS AND MATTERS
IN CONNECTION THEREWITH

Project Applicant

1955 Wehrle, LLC
1955 Wehrle Drive
Amherst, New York 14221
Thomas Kreuz, CEO, The Advantage Co.

Request

Applicant is requesting authorization for a \$1,300,000 lease transaction for the construction of a 20,000 square foot addition to their headquarters and distribution facility located at 1955 Wehrle Drive, within the Williamsville Central School District. The NAICS for this type of facility is 4236(wholesale trade), thus qualifying it for Agency assistance under the County-wide Eligibility Policy. The project will expand the company's lifetime service center.

Applicant states that current growth in their national business necessitates the need to expand their facilities to accommodate increased work associated with warranty and non-warranty electronics repair received under contracts with national retailers.

Previously, in 2006, the Agency authorized the acquisition of and construction of 20,000 square foot expansion to the 1955 Wehrle Drive facility, which is complete.

Applicant states that AIDA participation is necessary to keep the facility financially competitive with national competitors. They also state that this expansion project will allow for the company's continued growth and job creation in Amherst instead of locating facilities outside of New York State.

Employment

Project will retain 55 jobs in Amherst and create an additional 22.

PILOT Schedule

Project is eligible for the Agency's 15 year PILOT policy. During the abatement period, project will pay an estimated \$208,764 in additional property taxes; \$72,468 to the Town of Amherst, \$29,754 to Erie County and \$106,542 to the Williamsville Central School District.

The parcel currently generates \$22,133 in annual property taxes. Should this project be approved the additional property tax revenue to be generated in Year 1 of the expansion will be \$8,426.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant will realize an estimated \$54,687 in sales tax savings, \$247,131 in property tax savings and \$13,000 in mortgage recording tax savings.

Recommendation

Approval

Upon a motion by Ayesha Nariman, seconded by Robert Miller and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE 1955 WEHRLE LLC (THE "LESSEE") TO CONSTRUCT AN APPROXIMATELY 20,000 SQUARE FOOT OFFICE/WAREHOUSE ADDITION TO AN EXISTING APPROXIMATELY 60,639 SQUARE FOOT BUILDING LOCATED AT 1955 WEHRLE DRIVE, AMHERST, NEW YORK AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A SINGLE-TENANT OFFICE AND DISTRIBUTION FACILITY FOR SALE TO THE AGENCY AND SUBSEQUENT LEASE TO THE LESSEE FOR SUBLEASE TO LIFETIME SERVICE, INC. (THE "SUBLESSEE") AND TO TAKE OTHER PRELIMINARY ACTION.

9:50 am – meeting adjourned.