

**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**

**Minutes of the 420<sup>th</sup> Meeting**

**September 18, 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  
Randall Clark  
John DeLuca  
Stuart Shapiro  
James J. Allen, Executive Director

**ABSENT:** Ayesha Nariman  
Robert Ciesielski

**GUESTS:** AIDA Staff  
David Tytka, Uniland Development  
Terrance Gilbride, Hodgson Russ  
Edward Stachura  
Jim Fink, Business First  
Jonathan Epstein, Buffalo News  
Richard Brown, Citizen's Bank

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

**MINUTES**

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

**TREASURER'S REPORT**

The Treasurer's Report for August 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'S REPORT**

Executive Director Allen reported to the board that project activity was picking up and that staff was working with several potential applicants.

Mr. Allen told the board that staff continues to work with Behan and Associates along with the Planning Department on code language.

Mr. Allen noted that Supervisor Mohan's preliminary budget for 2010 indicated that several positions in the Planning Department were to be eliminated. Mr. Allen stated that if this were to happen, it would have a severe impact on the Town's redevelopment initiatives.

## **COMMITTEE REPORTS**

**Finance/Audit Committee** – met on Tuesday, September 14<sup>th</sup> to review proposed 2010 Budget Recommendations. Pursuant to IDA legislative requirements, the AIDA board of directors must forward budget recommendations to the Amherst Town Board for a 30-day review and comment period prior to adoption.

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

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY FORWARD THE 2010 BUDGET RECOMMENDATIONS TO THE AMHERST TOWN BOARD AND AMHERST TOWN CLERK FOR REVIEW AND COMMENT.

## **UNFINISHED BUSINESS**

There was no Unfinished Business presented at this meeting.

## **NEW BUSINESS**

### **I. Authorization Resolution**

#### **APPLICANT**

GEICO Insurance Agency  
300 CrossPoint Parkway  
Getzville, New York 14068  
Todd Prigal, Assistant Controller

#### **REQUEST**

The applicant is requesting authorization for a \$9,319,182 Installment Sale Transaction. The project will involve the purchase of furniture, fixtures and equipment for an existing facility located at 300 CrossPoint Parkway. The NAICS for this company is 5242 which requires further analysis of the project under the County-wide Eligibility Policy. The Agency review determined that the project is a back office facility and is therefore eligible.

The Agency authorized a portion of this project at its August 2009 meeting. Company has requested Agency authorization for the entire project should changes to the Empire Zone

Program affect the company's ability to access sales tax exemption benefits or for certification to take longer than anticipated to be approved.

This is a new venture that the company proposes to locate in Amherst and act as a redundant disaster recovery location to a facility operating in Fredericksburg, VA. The new venture markets property insurance (homeowners, renters, condominium, flood, boat and related insurance products) primarily to its auto customers over the phone in all states.

A critical element in selecting Amherst for this operation is a co-location with existing GEICO operations at the project site. Another key component of the expansion is the benefits offered by the site being in an Empire Zone. Due to changes in the Empire Zone Program, this new venture must become certified as an Empire Zone Company and seek Regionally Significant Status. This process takes several months and the applicant is requesting an installment sale on new furniture, fixtures and equipment in order to realize sales tax savings it would otherwise receive under the Empire Zone Program. The applicant states that these exemptions are critical to the project moving forward.

#### **EMPLOYMENT**

The project will create an estimated 536 jobs over the next ten years.

#### **PILOT SCHEDULE**

There is no real estate involved in this transaction, thus no PILOT is being requested. The current PILOT agreements will not be affected by this transaction.

#### **PROJECT TAX SAVINGS**

As a result of the Agency's participation in this transaction, the project applicant will realize an estimated \$815,428.43 in sales tax savings.

#### **RECOMMENDATION**

Approval

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

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY, AMEND A PRIOR RESOLUTION ADOPTED ON AUGUST 21, 2009, AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT OR A SERIES OF INSTALLMENT SALE AGREEMENTS WITH GEICO INSURANCE AGENCY AND OTHER INSTRUMENTS AND MATTERS IN CONNECTION THEREWITH TO EXTEND THE BENEFITS OVER A 10 YEAR PERIOD WITH COSTS NOT TO EXCEED \$9,319,182.

## II. REFINANCING TRANSACTION

**FLC SPINDRIFT ASSOCIATES, LLC** (Ciminelli Development Company) – Company is requesting Agency consent to refinance its 2004, \$3,150,000 lease transaction. The current balance on the mortgage is \$2,477,578. The original project involved the construction of a 34,000 square foot single tenant facility located at 2100 Wehrle Drive. The Visiting Nurses Association occupies the entire facility.

The amount of the refinancing is \$3,500,000. The proceeds will be used for tenant improvements required by the lease renewal.

The original lender was Key Bank. First Niagara Bank will finance this transaction.

The PILOT expires in 2011 and will not be affected by this transaction.

Recommendation: approval

Upon a motion by John DeLuca, 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 AN AMOUNT NOT TO EXCEED \$3,500,000, AN ASSIGNMENT OF RENTS, IF REQUIRED, AND AN AMENDED AND RESTATED LEASE AGREEMENT IN CONNECTION WITH THE REFINANCING OF THE 2000 2100 WEHRLE DRIVE PROJECT, AND FURTHER AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS IN CONNECTION THEREWITH.

9:16 am – meeting adjourned.