

THE REST OF THE STORY *myth and fact about the Amherst IDA*

The Amherst Industrial Development Agency's future, and its past, has been the issue of much discussion and conjecture lately. What's really amazing about this is that the majority of the information is based upon myth and misconceptions. As the famed Paul Harvey says, "... *here is the rest of the story.*"

The AIDA was created in 1973 by an act of the NYS legislature as an independent NYS Public Benefit Corporation. Its 7-member board is appointed by the Amherst Town Board for 7-year staggered terms and not representing any special interest group. The Town does not fund the AIDA.

The Amherst IDA's primary mission is to promote capital investment and improve the Town's tax base. Job creation and retention, although a goal, is not its primary function. However, approximately 75% of the region's job growth in the past 24-years has been due to the AIDA's careful investment.

As a public corporation, the AIDA does not pay any taxes for property it has "in title." However, it does provide PILOT (Payments In Lieu of Taxes) to Erie County, the Town of Amherst, and each of the Town's three school districts, depending upon the development's school district. Since 1979, the AIDA has invested in 139 properties, which now pay 100% of their property tax. Currently, another 177 are within varying stages of PILOT. PILOTs are for either 10-years, for a multi-tenant building, or 15-years, for a single tenant building. All projects adhere to a common policy agreed to by each of the IDA's in Erie County. Since 2000, each of these IDA's has agreed to a common policy as to type of projects, and fee structure. The 'deal' is the same in Amherst as is elsewhere in Erie County. Retail projects are not a part of the IDA's programs. However, in the Town's specific six redevelopment areas, retail projects may be undertaken only if special criteria are met.

Each development supported by the AIDA is financed through the credit worthiness of the applicant. Projects are financed through the traditional institutional resources ... banks, insurance companies, etc. The AIDA does not provide any funds, but the AIDA sells the bond, backed by the property's value. The taxpayer is not at risk for any potential default, a rare occurrence in the AIDA's history. This has only happened once, when the new business went bankrupt in its early years.

As noted earlier, the development does pay a PILOT, with annual increases over the term, based upon the property's improved value, i.e. the new building. But abatements do not apply to the property tax on the land, and special district taxes. There are numerous examples where a vacant parcel pays 10-times the vacant land amount in the 1st year of the abatement. A parcel on Wehrle Drive was paying \$5,400 in total taxes. In the 1st year of a 15-year abatement, the total PILOT and taxes paid were in excess of \$54,000. Commercial development pays its way, while requiring \$0.44 in Town services for every \$1.00 in taxes that it pays.

Since 2006, the AIDA has supported redevelopment within the Town's' designated redevelopment areas. Twenty-seven projects with an estimated value in excess of \$85-million assure that the Town's older areas also have the opportunity for economic revitalization. The AIDA's new office on Main Street is an example within a redevelopment area, and, yes, we are paying taxes on the property.

To learn more about the AIDA, visit www.amherstida.com, which is being continuously updated to help dispel the myths with fact. Without its IDA, Amherst would not be able to enjoy the quality of life, the strong foundation of its schools, and all the amenities that the Town is looked upon as a leader in WNY.