

Why Development?

Suspension of Rules / Amherst Town Board Meeting / January 2, 2007

Good Evening, Mr. Supervisor, Ladies & Gentlemen of the Town Board

My name is Edward Stachura, and I am here tonight as Chairman of the Amherst Industrial Development Agency (AIDA).

Why development? Why does the Amherst IDA encourage economic development?

There are three objectives ... to promote capital investment from the private sector, which in turn provides tax revenue for the taxing jurisdictions, and to provide the basis for job growth and opportunities.

Slide 1 shows what a vacant 5.5 acres of raw land provided in tax revenue in 1990, what it immediately provided, a 115% increase, with a change in zoning preparatory for development.

Slide 2 shows that this same parcel provided in tax revenue in the 1st year with the Payment In Lieu Of Taxes (PILOT), tax revenue over the 5-year abatement period, tax revenue after the abatement period between 1996-2006. Additionally the property provides employment for an estimated 270 working for 11 companies, with an aggregated direct annual payroll estimated at \$12.2-million, which in turn has an annual regional impact of \$30.6-million. With no development on that parcel, it would have produced perhaps an estimated \$180,000 in tax revenue over that same period, and no job opportunity.

Slide 3 provides the background detail for Slide 2.

And now with the anticipation of your adoption of the Comprehensive Plan, that vision for development is updated and more focused and continues to provide the necessary balance to maintain Amherst's emulated quality of life with reasonable tax rates.

So, when asked, "*Why do we build, why do we encourage development?*" please remember these facts, facts from only one Amherst IDA sponsored development. And there are approximately 300 similar stories of the Amherst IDA's economic successes for the Town and the Buffalo-Niagara Region. Also, please remember the other information and facts from my prior four presentations to you that tell the rest of the story.

And oh yes, contrary to popular perception, only 7.4% of Amherst's estimated 54-square miles, larger than the City of Buffalo, is used for commercial development. Open space represents 29.7%, and residential development is 36.4%. This balance is maintained under the Comprehensive Plan.

For more information, you are encouraged to visit our new web page, www.amherstida.com.

Thank you for your kind attention.

The greatest enemy of the truth is very often not the lie--deliberate, contrived, and dishonest, but the myth persistent, persuasive, and unrealistic. Belief in myths allows the comfort of opinion without the discomfort of thought. -- John F. Kennedy

325 Essjay Road
Centerpointe Corporate Park
(Pre-development)



1990

- Property (5.5 acres) originally valued at \$67,000
- Taxes Paid = \$11,063 on this value of 'raw' land
 - Value of land immediately increased to \$529,000 upon change of zoning with 1st year PILOT of \$23,843 ... an increase of 115%
 - 100% of Special Districts and Land Value Taxes paid

325 Essjay Road ***Centerpointe Corporate Park***



1991

- Property valued at \$2.8-million with construction of 75,135 square feet building
- 1st year taxes paid with abatement (PILOT) = \$23,843

1991-2006

- Taxes paid during PILOT period (*5-year*) = \$261,235
- Taxes paid after PILOT period (*1996-2006*) = \$2,023,621
- Total taxes paid (*post development period*) = \$2,284,856
 - Property valued at \$5.26-million today
 - Building is home to 11 companies employing approximately 270 people with annual regional multiplier impact of \$30.6-million from salaries