

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Agenda – 538th Meeting
Friday, December 16, 2022-8:30 am

James J. Allen Boardroom
Agency Offices – 4287 Main Street, Amherst, NY 14226

1. Roll Call of Members
2. Reading and Approval of Minutes
3. Bills & Communications
4. Treasurer's Report
5. Public Comment
 - a. Speakers Limited to Three (3) Minutes
6. Executive Director's Report
7. Committee Reports
 - a. Establish Nominating Committee for 2023 BOD
8. Unfinished Business
9. New Business
 - a. Amendment to Authorization Resolution – Stark Real Estate Holdings, LLC
 - b. Draft 2023 BOD Meeting Schedule
10. Adjournment

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

**Minutes of the 537th Meeting
Friday, October 21, 2022 – 8:30 am
James J. Allen Boardroom
Agency Offices, 4287 Main Street**

PRESENT:

William Tuyn
Anthony Agostino
Timothy Drury
Frank LoTempio, III
Nicole Gavigan
David S. Mingoia, Executive Director
Kevin J. Zanner, Hurwitz & Fine PC

EXCUSED:

Carlton N. Brock, Jr.
Hadar Borden

GUESTS via Zoom:

AIDA Staff
Jacqueline Berger, TOA Councilmember
David Tytka, Uniland Development
Sean Hopkins
Paul Grenauer

Vice Chairman William Tuyn called the meeting to order and reminded everyone the meeting was being video recorded and live-streamed.

MINUTES

Upon a motion by Anthony Agostino, seconded by Nicole Gavigan and unanimously carried, the minutes of the September 2022 meeting were approved as presented.

BILLS & COMMUNICATIONS

There were no Bills & Communications presented at this meeting.

TREASURER'S REPORT

Treasurer Agostino reviewed the highlights of the Treasurer's Report for September 2022.

Upon a motion by Frank LoTempio, seconded by Nicole Gavigan and unanimously carried, the Treasurer's Report for September 2022 were approved as presented.

PUBLIC COMMENT

There was no Public Comment at this meeting.

EXECUTIVE DIRECTOR'S REPORT

Attached to the minutes is the Executive Director's Report.

COMMITTEE REPORTS

The Audit and Finance Committee met earlier in the month to review the 2023 Budget Recommendations. The Committee recommended approval of the 2023 Budget Recommendation.

Frank LoTempio made a motion to approve the 2023 Budget Recommendations. Nicole Gavigan seconded the motion to approve. Votes of aye were cast by Tuyn, Agostino, Drury, LoTempio and Gavigan. Motion to approve passed by a vote of 5-0.

UNFINISHED BUSINESS

There was no Unfinished Business presented at this meeting.

NEW BUSINESS

I. Authorization Resolution - 5877 Main Street, LLC

The applicant is a limited liability company comprised of David Sutton, and Paul and Margaret Grenauer. They purchased the property at 5877 Main Street in 2019 with the intent to renovate and reuse the closed Milos restaurant into a destination spa. The COVID-19 pandemic resulted in the shutdown of their current salon business, Excuria, and negatively impacted the future financial feasibility of creating a destination spa. After evaluating options, the applicant reformulated its business plan to incorporate zoning and planning objectives of the Village of Williamsville resulting in the proposed four-story mixed use building.

The four-story building comprises 60,000 square feet, with the first floor designated for retail/service tenants and floors two through four consisting of 28 market rate apartments with 3 units designated as workforce housing. Half of the approximately 15,000 square feet first floor will be occupied by Excuria Salon & Spa, which will relocate from 5275 Main Street. The applicant expects to renovate that building for another business or into multi-family use as it is a converted residential structure. AIDA benefits are limited to the construction of the 5877 Main Street building and will not include equipping its retail components.

The applicant states that Agency assistance is necessary to complete the project as approved by the Village given the added costs of possible asbestos remediation, relocation of onsite utilities and enhanced building materials and design standards. Project financing is now more costly due to lenders requiring increased equity, and higher construction costs that are 40% more than a year ago.

Executive Director Mingoia presented a detailed Cost Benefit Analysis of the project to the board.

After a brief discussion, a motion to approve the authorization resolution for 5877 Main Street, LLC project was made by Frank LoTempio. Anthony Agostino seconded the motion to approve. Votes of aye were cast by Tuyn, Agostino, Drury, LoTempio and Gavigan. Motion to approve passed 5-0.

II. Amendment to AIDA Retirement Plan

The board was requested to authorize a modification to the AIDA Retirement Plan. The modification would include Roth Deferrals in its 401(k) plan.

Frank LoTempio made a motion to approve the modification to the AIDA Retirement Plan which would now include Roth Deferrals. Nicole Gavigan seconded the motion to approve. Votes of aye were cast by Tuyn, Agostino, Drury, LoTempio and Gavigan. Motion to approve passed 5-0.

8:53 am – Frank LoTempio made a motion to adjourn the meeting. Anthony Agostino seconded the motion. Motion to adjourn passed unanimously.

PROJECT PROFILE:
STARK REAL ESTATE HOLDINGS LLC
\$7,950,000
 December 16, 2022



ELIGIBILITY

- Commercial Project under NYS Law

COMPANY INCENTIVES (EST.)

- Sales Tax = \$459,375
- Mortgage Tax = \$40,650
- Property Tax = \$979,561

PROJECT BENEFITS (EST.)

- Property Taxes = \$694,509
- Income Taxes = \$6,288,722
- Sales Tax = \$2,139,912

EMPLOYMENT

- 56 Construction Period Jobs Created
- 20 Jobs Created
- 80 jobs Retained
- Average Salary of Retained Jobs = \$93,750
- Average Salary of New Jobs = \$85,000

PROJECT SCHEDULE

- October 2021 - Work Begins
- December 2023 - Project Complete

Project Address:

2100 Wehrle Drive
 Amherst, New York 14221
 (Williamsville School District)

Investment:

Construction: \$7,000,000
 Equipment: \$600,000
 Soft/Other costs: \$350,000



Project Description:

The applicant is Stark Real Estate Holdings, the parent company of several business ventures. The company is a diversified consulting and engineering firm specializing in technology based building system and process optimization.

The applicant acquired the property located at 2100 Wehrle Drive in Williamsville and owns a nearby business, formerly known as TP Woodside, at 60 Lawrence Bell Drive. It also operates a facility at 95 Stark Street in Tonawanda, NY.

In June 2021, the AIDA Board approved a \$3.15 million project for the applicant that would retrofit the 35,000 square foot building at 2100 Wehrle Drive and add 10,000 square foot to their 5,000 square foot facility at 60 Lawrence Bell. The retrofit would provide space for the callback of current employees who are working remotely, provide for a new training and command center operation, and future expansion space. Stark would continue to maintain its Tonawanda operation.

COVID and ongoing supply chain issues delayed this project and provided an opportunity for the company to rethink its investment. Shifts in the market driven by Federal and State policies resulted in Stark seeking to transform the building to all electric and construct to a LEED Silver and WELL building status. Planned investment at the 60 Lawrence Bell Drive building is being absorbed into the 2100 Wehrle facility. AIDA assistance continues to be a critical part of their long-term planning of growing their employee base and operation here. Incentives offset the costly renovations at the Wehrle Drive facility and allow the company room to add high paying jobs. The company was solicited by Florida and offered incentives to locate their training center and administration operation to that state.

**PROJECT PROFILE:
STARK REAL ESTATE HOLDINGS, LLC
\$7,950,000**

AIDA COMPANY HISTORY:

June 2021 AIDA Board Approval of a \$3,150,000 investment.

MATERIAL TERMS:

1. Achievement of a total of 97 Full-Time equivalent jobs at the project locations two years after project completion and maintenance of these jobs for the duration of the PILOT.
2. Investment of not less than \$6,757,500 at the project location.
3. Compliance with the Agency's Local Labor Policy in connection with the construction of the Project
4. Maintaining employment and operations at the Tonawanda Facility as set forth in the Application and retention of such jobs throughout the Compliance Period

Town of Amherst Industrial Development Agency

MRB Cost Benefit Calculator



Date: December 1, 2022
 Project Title: Stark Real Estate LLC Real Estate Project
 Project Location: 2100 Wehrle Drive

Economic Impacts

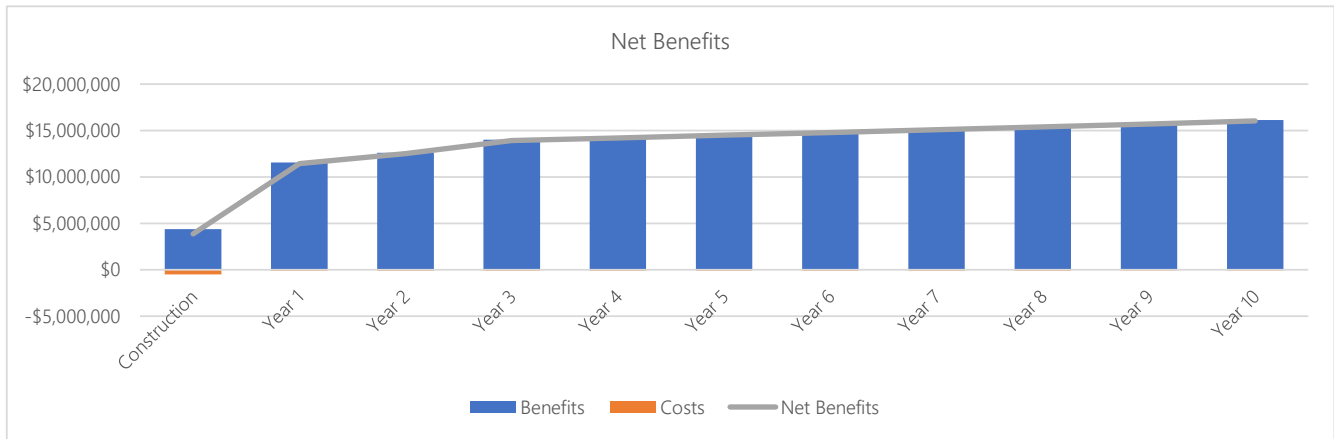
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$7,950,000

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		30	25	56
Earnings		\$2,662,414	\$1,454,086	\$4,116,500
Local Spend		\$6,360,000	\$4,503,111	\$10,863,111

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		100	63	163
Earnings		\$93,795,018	\$41,837,844	\$135,632,862

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

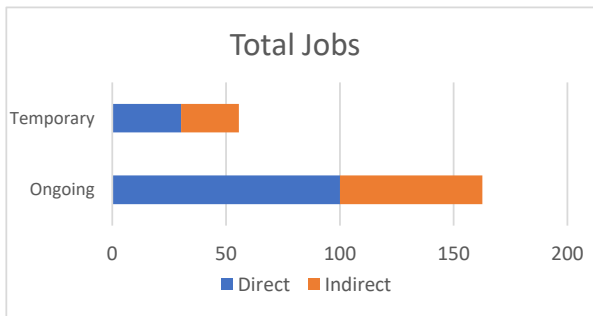
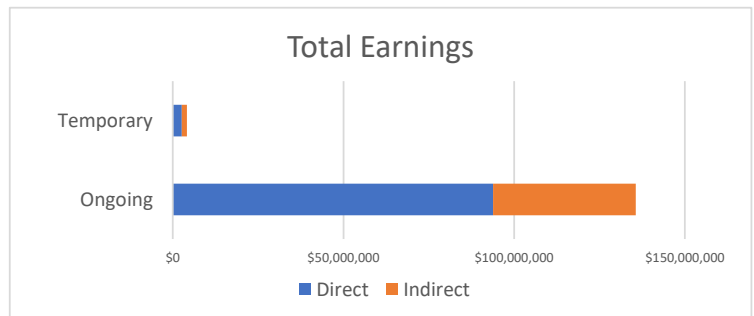


Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$979,561	\$885,232
Sales Tax Exemption	\$459,375	\$459,375
Local Sales Tax Exemption	\$249,375	\$249,375
State Sales Tax Exemption	\$210,000	\$210,000
Mortgage Recording Tax Exemption	\$40,650	\$40,650
Local Mortgage Recording Tax Exemption	\$13,550	\$13,550
State Mortgage Recording Tax Exemption	\$27,100	\$27,100
Total Costs	\$1,479,586	\$1,385,257

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$141,605,538	\$126,993,924
To Private Individuals	\$139,749,363	\$125,333,573
Temporary Payroll	\$4,116,500	\$4,116,500
Ongoing Payroll	\$135,632,862	\$121,217,072
Other Payments to Private Individuals	\$0	\$0
To the Public	\$1,856,176	\$1,660,351
Increase in Property Tax Revenue	\$694,509	\$618,516
Temporary Jobs - Sales Tax Revenue	\$34,218	\$34,218
Ongoing Jobs - Sales Tax Revenue	\$1,127,448	\$1,007,617
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$7,266,967	\$6,517,346
To the Public	\$7,266,967	\$6,517,346
Temporary Income Tax Revenue	\$185,243	\$185,243
Ongoing Income Tax Revenue	\$6,103,479	\$5,454,768
Temporary Jobs - Sales Tax Revenue	\$28,816	\$28,816
Ongoing Jobs - Sales Tax Revenue	\$949,430	\$848,520
Total Benefits to State & Region	\$148,872,505	\$133,511,270

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$126,993,924	\$1,148,157	111:1
State	\$6,517,346	\$237,100	27:1
Grand Total	\$133,511,270	\$1,385,257	96:1

*Discounted at 2%

Additional Comments from IDA

Prepared by DM

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

**AMENDATORY RESOLUTION OF THE TOWN OF
AMHERST INDUSTRIAL DEVELOPMENT AGENCY
RELATING TO THE 2021 STARK REAL ESTATE
HOLDINGS, LLC PROJECT.**

WHEREAS, the Town of Amherst Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Section 914-a of the General Municipal Law, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, on June 18, 2021, the Agency adopted an inducement resolution (the “Inducement Resolution”) with respect to a project (the “Project”) involving (A)(i) the renovation of a vacant office building located at 2100 Wehrle Drive, Williamsville, New York 14221 (the “Wehrle Drive Premises”); (ii) the renovation of an existing 5,000 square foot building located at 60 Lawrence Bell Drive, Williamsville, New York 14221 and the construction of a 10,000 square foot building addition (the “Lawrence Bell Drive Premises”); and (B) the acquisition and installation of machinery, equipment and personal property to be used in, at or on the Wehrle Drive Premises and the Lawrence Bell Drive Premises (together, the “Premises”) and conveyance of the Project to Stark Real Estate Holdings, LLC (the “Company”) pursuant to an Installment Sale Contract or the lease of the Project to the Company, for sublease to a related entity, Stark Technologies Group, LLC (the “Lessee”); and

WHEREAS, on October 13, 2021, the Agency and Company entered into an Amended and Restated Project Agreement (the “Project Agreement”); and

WHEREAS, the Agency previously authorized a sales and use tax exemption benefit in an amount not to exceed \$153,125.00, a partial exemption from mortgage recording tax for one or more mortgages aggregating an amount not to exceed \$3,000,000.00, and an abatement from real property taxes on the Lawrence Bell Drive Premises; and

WHEREAS, by letter dated October 31, 2022, the Company informed the Agency of several substantive changes to the Project which were necessitated by the COVID-19 pandemic and supply chain issues; and

WHEREAS, the proposed changes include a redesign of the Project to include LEED Silver and WELL Building designations in order to reduce the Company’s carbon footprint in support of federal and state environmental goals at the Project’s Wehrle Drive Premises, and the Company also informed the Agency that it is no longer seeking benefits for that portion of the Project which was to have been undertaken at 60 Lawrence Bell Drive, which is not moving forward at this time; and

WHEREAS, the revised Project (the “Revised Project”) consists of: (i) the acquisition by the Agency of a leasehold interest in a parcel of land located at 2100 Wehrle Drive, Williamsville, New York (the “Wehrle Drive Premises”); (ii) the renovation of an approximately 35,000 square foot vacant office facility at the Wehrle Drive Premises, including the incorporation of LEED Silver and WELL Building designations (the “Improvements”); and (iii) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property (the “Equipment”), all at a total cost in an amount up to \$7,950,000.00; and

WHEREAS, as a result of changes to the Project, the Company has requested: (i) an increase in the Project’s sales and use tax exemption benefit due to increased Project costs; (ii) an increase in the Project’s mortgage recording tax benefit; (iii) an abatement from real property taxes at 2100 Wehrle Drive, Williamsville, New York; and (iv) an extension of the Company and Lessee’s authority to act as agents of the Agency under the Project Agreement; and

WHEREAS, Section 16 of the Inducement Resolution provides that the Agency, at its option may allow the Company and Lessee additional time in which to close the transactions contemplated by the Inducement Resolution based upon affirmative actions taken by the Company and Lessee to complete such transactions; and

WHEREAS, after giving all of the required notices (including published notice), the Agency conducted an additional public hearing on the Project on December 1, 2022 with respect to the Revised Project, and has considered all oral and written presentations made at or in connection with said public hearing; and

WHEREAS, the Agency desires to adopt this amendatory resolution to make changes to the Inducement Resolution that are reflective of the Revised Project and authorize an extension of the Company and Lessee’s ability to act as agents of the Agency under the Project Agreement.

NOW, THEREFORE, THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

1. The Revised Project is described in the recitals to this Resolution. The financial assistance to be provided in connection therewith includes: an exemption from sales and use taxes for building materials and machinery, equipment, fixtures and furnishings purchased for incorporation into or use at the Project location having a total cost not to exceed \$5,250,000.00, an exemption from mortgage recording taxes for one or more mortgages having a principal amount not to exceed \$5,420,000.00 and an abatement from real property taxes with respect to the Project at 2100 Wehrle Drive, Williamsville, New York in accordance with the Agency’s ten-year payment in lieu of tax schedule (collectively, the “Financial Assistance”).
2. The Material Factors set forth in Section 2 of the Inducement Resolution are hereby deleted in their entirety and replaced with the following:
 - (a) compliance with the Agency’s Local Labor Policy in connection with the construction of the Project;

- (b) investment of not less than \$6,757,500.00 at the Wehrle Drive Premises;
- (c) achievement of a total of 97 full-time equivalent jobs at the Wehrle Drive Premises within two (2) years of Project completion and retention of such jobs throughout the Compliance Period;
- (d) maintaining employment and operations at the Stark Street Facility as set forth in the Application and retention of such jobs throughout the Compliance Period.

3. The Agency hereby approves the Company’s extension request and authorizes the Company and Lessee to act as agents for the Agency through September 30, 2023, in accordance with Section 4 of the Project Agreement. The Executive Director of the Agency is authorized to execute an amendment to the Project Agreement to memorialize this extension and to make other conforming changes to the Project Agreement reflective of the changes to the Project as described in this Amendatory Resolution.
4. Except as amended by this Amendatory Resolution, the terms of the Inducement Resolution are unchanged and remain in full force and effect.
5. This Amendatory Resolution shall take effect immediately.

DATED: December 16, 2022

ACCEPTED AND AGREED TO: _____, 202__

STARK REAL ESTATE HOLDINGS, LLC

By: _____

STARK TECHNOLOGIES GROUP, LLC

By: _____

2023 EXECUTIVE COMMITTEE AND BOARD MEETING DATES

EXECUTIVE (or other) COMMITTEE

Thursday, February 2, 2023

Friday, March 3, 2023

Thursday, April 6, 2023

Thursday, May 4, 2023

Thursday, June 1, 2023

Thursday, July 6, 2023

Thursday, August 3, 2023

Thursday, September 7, 2023

Thursday, October 5, 2023

Thursday, November 2, 2023

Thursday, December 7, 2023

BOARD MEETINGS

Friday, January 20, 2023

Friday, February 17, 2023

Friday, March 17, 2023

Friday, April 21, 2023

Friday, May 19, 2023

Friday, June 16, 2023

Friday, July 21, 2023

Friday, August 18, 2023

Friday, September 15, 2023

Friday, October 20, 2023

Friday, November 17, 2023

Friday, December 15, 2023

ALL MEETING TIMES BEGIN AT 8:30 am UNLESS OTHERWISE DIRECTED

Town of Amherst Industrial Development Agency

4287 Main Street

Amherst, New York 14226

716-688-9000

www.AMHERSTIDA.com