

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

Executive Committee Meeting Agenda

**July 11, 2024 – 8:30 am
Agency Offices, 4287 Main Street**

1. Roll Call of Members
2. Reading and Approval of Minutes
3. New Business
 - a. Public Hearing – 26 West Spring Street
 - b. Project Profile – 26 West Spring Street
 - c. Workforce Housing Policy Update
4. Adjournment

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the Executive Committee Meeting
June 6, 2024 – 8:30 AM
Agency Office, 4287 Main Street

Executive Committee: Carlton N. Brock Jr.
William W. Tuyn
Anthony Agostino
David S. Mingoia, Executive Director

Guests: David Chiazza
Sean Hopkins

Mr. Brock opened the meeting at 8:38 AM and requested a motion to approve the previous meeting's minutes. Mr. Agostino made the motion, seconded by Mr. Tuyn and carried unanimously.

Mr. Mingoia introduced David Chiazza from Iskalo Development and Sean Hopkins, who presented information on the proposed 26 West Spring Street project in the Village of Williamsville. Mr. Chiazza provided an overview of the project and the request for a 10-year PILOT based on the financial feasibility of the project impacted by the cost to adaptively reuse the vacant office property. Mr. Tuyn indicated that this project impacts the adjoining property and that it isn't healthy to have dilapidated buildings. Mr. Brock indicated that in return for the 10-year PILOT a condition should be placed on starting redevelopment of the adjacent property or lose or clawback the PILOT. After further discussion it was agreed to issue and hold a public hearing on the project at the next meeting.

Mr. Mingoia then provided an update to on the Workforce Housing Policy and the discussions with State and Local officials regarding the draft policy. He indicated that it was still a work in progress and that there are concerns over greenfield development and the number of workforce units.

At 9:32 AM, Mr. Tuyn made a motion to adjourn, seconded by Mr. Agostino and carried unanimously.

**NOTICE OF PUBLIC HEARING
TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**

The Town of Amherst Industrial Development Agency will hold a public hearing on Thursday, July 11, 2024 commencing at 8:30 a.m. at the Agency's offices located at 4287 Main Street, Amherst, New York 14226, to consider proposed financial assistance requested of the Agency with respect to the following project:

Iskalo Spring Street LLC, on behalf of itself or an affiliate, subsidiary or other entity formed or to be formed (the "Applicant"), has submitted an application to the Agency requesting the Agency to undertake a certain project (the "Project") consisting of: (a) the acquisition of a leasehold interest in property located at 26 W. Spring Street and a portion of 34 W. Spring Street in the Village of Williamsville, New York (the "Premises"); (b) the adaptive re-use of a vacant, outdated office building for conversion to multi-family use consisting of 6 townhouse style apartments and 2 single-level apartments for a project totaling approximately 11,200 square feet, along with improvements to the common parking lot presently servicing 26 and 34 W. Spring Street (collectively, the "Improvements"); and (c) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property (the "Equipment"). The total cost of the Project is an amount up to \$2,482,000. The Project is located in the Williamsville Central School District.

The Agency contemplates that it will provide financial assistance for qualifying portions of the Project in the form of a sales tax exemption, mortgage recording tax exemption and real property tax exemption on qualifying Improvements and Equipment. It is anticipated that the PILOT Agreement will deviate from the Agency's uniform tax exemption policy ("UTEP") and that the Agency will follow the procedures for deviation from such policy prior to granting such portion of the financial assistance.

The application is available for inspection at the Agency's offices and its website, www.amherstida.com. Written comments may be addressed to David S. Mingoia, Executive Director; Town of Amherst Industrial Development Agency 4287 Main Street, Amherst, New York 14226; (716) 688-9000.

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

**NOTICE OF DEVIATION
FROM THE
COUNTYWIDE INDUSTRIAL DEVELOPMENT AGENCY
UNIFORM TAX EXEMPTION POLICY,
AMENDED AND RESTATED AS OF APRIL 1, 2022 (“UTEP”)**

This Notice of Deviation is being issued to the affected taxing jurisdictions and industrial development agencies listed on the attached distribution list in accordance with Section 874 of the General Municipal Law of the State of New York and the applicable provisions of the UTEP, which require the Agency to provide written notice to affected taxing jurisdictions located in Erie County prior to the Town of Amherst Industrial Development Agency (the “Agency”) taking final action with respect to a proposed payment in lieu of real estate tax agreement, if said agreement deviates from the provisions of the UTEP.

Description of the Project

ISKALO SPRING STREET LLC, on behalf of itself or an affiliate, subsidiary or other entity formed or to be formed (the “Applicant”), has submitted an application to the Agency requesting the Agency to undertake a certain project (the “Project”) consisting of: (a) the acquisition of a leasehold interest in property located at 26 W. Spring Street and a portion of 34 W. Spring Street in the Village of Williamsville, New York (the “Premises”); (b) the adaptive re-use of a vacant, outdated office building for conversion to multi-family use consisting of 6 townhouse style apartments and 2 single-level apartments for a project totaling approximately 11,200 square feet, along with improvements to the common parking lot presently servicing 26 and 34 W. Spring Street (collectively, the “Improvements”); and (c) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property (the “Equipment”). The total cost of the Project is an amount up to \$2,482,000. The Project is located in the Williamsville Central School District.

Proposed Financial Assistance

The Agency contemplates that it will provide financial assistance for qualifying portions of the Project in the form of (i) a sales and use tax exemption on sales taxable purchases in an amount up to \$388,320.00; (ii) a mortgage recording tax exemption on one or more mortgages in the aggregate principal amount of \$2,000,000; and (iii) a ten (10) year partial abatement of real property taxes pursuant to a payment in lieu of real estate tax agreement (“PILOT Agreement”) as described below.

Deviation From the UTEP

The proposed financial assistance for the Project constitutes a deviation from the UTEP because the proposed ten-year term of the PILOT Agreement exceeds the five-year term for which the Project would ordinarily qualify, based on the Agency’s completion of the PILOT Determination Scoring Worksheet described in Article II of the UTEP. The Agency is willing to consider a ten-year PILOT for the Project because the Applicant has provided certain information regarding the financial feasibility of the Project and its impact on the redevelopment of the commercial

building located at 34 W. Spring Street and the vacant property at 42 W. Spring Street, both of which are directly adjacent to the Project site (the “Phase II Project”). The Applicant will undertake the Phase II Project no later than prior to the beginning of the sixth year of the PILOT schedule (the “Phase II Redevelopment Commitment”). In the event the Applicant does not satisfy the Phase II Redevelopment Commitment, the term of the PILOT Agreement will be reduced to five years and terminate at the end of the initial five-year period. No commitment has been made by the Agency to provide incentives to the Applicant to undertake and complete the Phase II Project. Subject to the foregoing, the Agency and the Applicant propose to enter into PILOT Agreement with annual abatement percentages in accordance with the following Tier 3 PILOT schedule:

Year	Abatement Percentage
1	95%
2	90%
3	85%
4	85%
5	80%
6	80%
7	75%
8	75%
9	70%
10	65%

The PILOT Agreement will have a term of ten years and the abatement will apply only to the increase in taxable assessment over what the property is currently paying. Payments in lieu of taxes will be allocated among the affected taxing jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected taxing jurisdiction had the Project not been tax exempt due to the status of the Agency.

In reviewing the proposed deviation, the Agency will consider the following factors prior to approving the proposed deviation from the UTEP:

1. The extent to which the Project will create or retain permanent private sector jobs.

The Project is not expected to create any permanent private sector jobs.

2. The estimated value of tax exemptions to be provided.

The estimated value of the sales and use tax benefit for the Project is an amount up to \$33,978.00. The estimated value of the mortgage recording tax benefit is an amount up to \$15,000.00. The estimated value of the real property tax benefit is \$347,286.00.

3. Whether affected taxing jurisdictions will be reimbursed by the Project occupant if the Project does not fulfill the purposes for which an exemption was provided.

The Applicant will be subject to termination of financial assistance, including potential recapture of benefits previously received in the event the Applicant does not adhere to the Agency's standard material terms and conditions governing the receipt of financial assistance. Specifically, the PILOT Agreement will also include a provision for early termination of the PILOT Agreement if the Applicant does not satisfy the Phase II Redevelopment Commitment.

4. The impact of the proposed Project on existing and proposed businesses and economic development projects in the vicinity.

The impact of the Project will be positive. This is an adaptive reuse project that will help prevent economic deterioration through the redevelopment of an underutilized and vacant office building. The multi-family apartments will provide tenants with the opportunity to live close to their places of employment, thereby promoting employment opportunities within the Village of Williamsville and Town of Amherst.

5. The amount of private sector investment generated or likely to be generated by the proposed Project.

The total private sector investment in the Project is expected to exceed \$2,481,868.

6. The demonstrated public support for the Project.

The Village of Williamsville has expressed its support for the Project. Site Plan approval of the Project was granted on June 3, 2024.

7. The likelihood of accomplishing the proposed Project in a timely fashion.

The Project is expected to be completed in a timely manner. Construction is expected to begin in the fall of 2024, with anticipated completion in spring of 2025.

8. The effect of the proposed Project upon the environment.

The Village of Williamsville determined that the Project constituted a Type II action pursuant to the State Environmental Quality Review Act (SEQRA). There will be no changes to the footprint of the building being renovated.

9. The extent to which the Project will utilize, to the fullest extent practicable and economically feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures.

The Applicant will install energy efficient appliances in the units.

10. The extent to which the proposed Project will require the provision of additional services including, but not limited to, additional educational, transportation, emergency medical or police and fire services.

The Project is not expected to require the provision of additional services.

11. The extent to which the proposed Project will provide additional sources of revenue for municipalities and school districts.

The Project site currently consists of a vacant and obsolete office building. The Project will generate additional sources of revenue from the PILOT payments which would otherwise not be received if the Project does not proceed.

[Distribution List Follows]

DISTRIBUTION LIST

Affected Taxing Jurisdictions:

Hon. Mark C. Poloncarz
Erie County Executive
95 Franklin Street
Buffalo, New York 14202

Hon. Brian Kulpa, Supervisor
Town of Amherst
5583 Main Street
Amherst, New York 14221

Hon. Christine L. Hunt, Mayor
Village of Williamsville
5565 Main Street
Williamsville, New York 14221

Dr. Darren J. Brown-Hall, Superintendent
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051

Ms. Lynn Carey
School District Clerk
Williamsville Central School District
105 Casey Road
East Amherst, New York 14051

Industrial Development Agencies:

Erie County Industrial Development Agency
95 Perry Street, Suite 402
Buffalo, New York 14203
Attn: John Cappellino, President & CEO

Town of Lancaster Industrial Development Agency
Town Hall, 21 Central Avenue
Lancaster, New York 14086
Attn: Kevin Lemaster, Chair

Town of Clarence, Erie County, Industrial Development Agency
One Town Place
Clarence, New York 14031
Attn: Christopher Kempton, Chair

Town of Hamburg Industrial Development Agency
6122 South Park Avenue
Hamburg, New York 14075
Attn: Sean Doyle, Executive Director

PROJECT PROFILE:
26 WEST SPRING STREET ADAPTIVE REUSE
\$2,481,868
July 19, 2024

DRAFT



ELIGIBILITY

- Commercial Project under NYS Law
- Eligible Project Under Countywide Eligibility Policy

COMPANY INCENTIVES (EST.)

- Property Tax = \$347,286
- Sales Tax = \$33,978
- Mortgage Tax = \$15,000

PROJECT BENEFITS (EST.)

- Property Taxes = \$103,488
- Income Taxes = \$66,413
- Sales Taxes = \$34,341

EMPLOYMENT

- 8 Construction and Supply Related Jobs Created
- 1 Full-Time Indirect Positions Created from Household Spending

PROJECT SCHEDULE (EST.)

- Work begins August 2024
- Completion April 2025

Project Address:

26 West Spring Street
 Williamsville, New York 14221
 (Williamsville School District)

Investment:

Acquisition: \$898,684
 Construction: \$1,250,000
 Soft/Other Costs: \$333,184



Company Description:

The applicant is an affiliate of Iskalo Development Corporation (Iskalo), a Williamsville based commercial real estate development company that celebrated its 35th year in business in 2023. Iskalo, which is solely owned by Paul B. Iskalo, is a fully integrated real estate venture investing in hospitality, light industrial, corporate and medical office, retail and multi-family. The company has substantial investments in Amherst and Williamsville.

Project Description:

The applicant proposes to adaptively reuse an existing vacant 11,200 square foot office building into eight apartments and begin improving that section of the West Spring Street neighborhood. A portion of the building was constructed in 1976 with an addition added in 1980 by Scipar, a company focused on hydroelectric control systems. The business shrunk over the years and sold the property to Iskalo in 2019 where it only occupied a small portion of the building. The project resides in a Village of Williamsville Enhancement Area designated for redevelopment of obsolete and underutilized parcels.

The layout, outdated condition and overall obsolescence along with current market conditions eliminate the ability of the property to be backfilled by an office tenant. Iskalo is seeking incentives to offset the considerable cost of conversion to multifamily use and expects this project to catalyze redevelopment of the historic property located at 34 West Spring Street. The applicant provided a detailed presentation indicating the gap in what can be generated in revenues on the project over the high cost of development. Renovation costs approximate \$316,000 per unit while the overall economics of the project support roughly \$271,000.

PROJECT PROFILE:
26 WEST SPRING STREET ADAPTIVE
REUSE
\$2,481,868

AIDA COMPANY HISTORY:

Numerous

MATERIAL TERMS:

1. Investment of not less than \$2,109,587 at the project location as noted in the application.
2. Compliance with the Agency's Local Labor Policy in connection with the construction of the Project.
3. Begin substantive redevelopment of 34 Spring Street project to Year 6 of the PILOT or years 6-10 of the PILOT are terminated.

AIDA Project Evaluation Criteria - Neighborhood Redevelopment

Distressed Census Tracts	No
Designated Enhancement Area	Yes
Age of Structure	1973 with an addition in 1980
Building Vacancy	2023 but the building has been mostly vacant for nearly 4-years
Redevelopment Supports Local Community Development Plan	The project location is a Village of Williamsville designated Enhancement Area and received Site Plan approval and a Certificate of Appropriateness from the Village Historic Preservation Committee
Environmental or Safety Issues	The project seeks to improve pedestrian safety by installing sidewalks, site lighting, landscaping and drainage.
LEED/Renewal Resources	None
Building has Historic Designation	The adjacent property is historically designated and this project seeks to catalyze its development.
Site or Structure has Delinquent Property or Other Local Taxes	No
Impediments to Conventionally Finance Project	Lending Requirements are more stringent, such as increased equity, along with interest rates not seen in decades
Transit Oriented Development	The project location is a block from Main Street which has several transit stops.
Increased Property Value	The project preserves the existing taxes on the building and provides additional revenue over the 10-year PILOT
Provides Workforce and/or Affordable Housing	None included due to the size of the project (8 total units) and financial feasibility to adaptively reuse the existing structure.

Town of Amherst Industrial Development Agency

MRB Cost Benefit Calculator

Date: July 3, 2024
Project Title: 26 West Spring Street Adaptive Reuse
Project Location: 26 West Spring Street, 14221



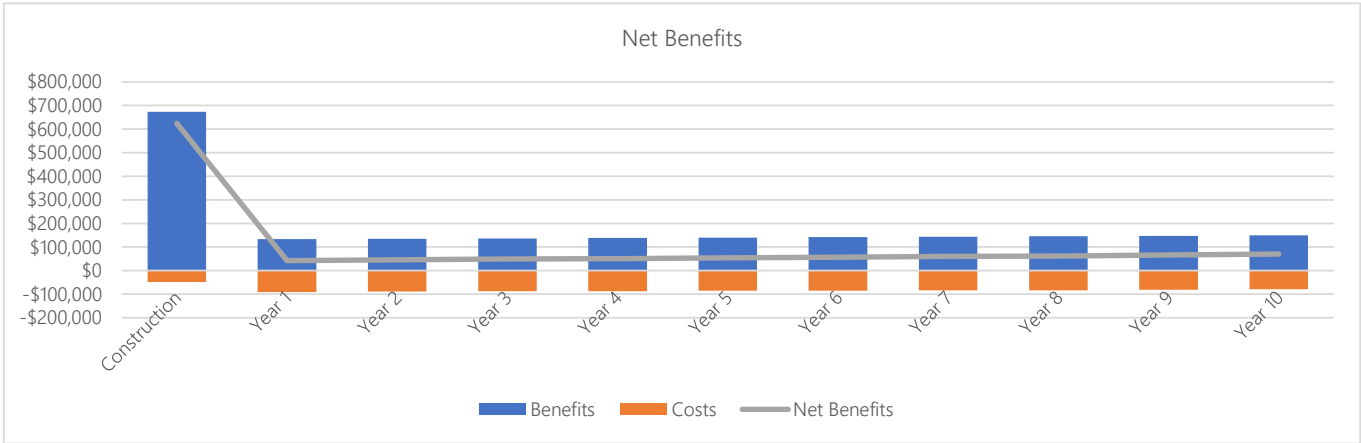
Economic Impacts

Summary of Economic Impacts over the Life of the PILOT
Project Total Investment
\$2,481,868

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	6	2	8
Earnings	\$520,157	\$114,483	\$634,641
Local Spend	\$1,350,000	\$309,473	\$1,659,473

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	1	0	2
Earnings	\$608,557	\$232,635	\$841,192

Figure 1



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

Figure 2

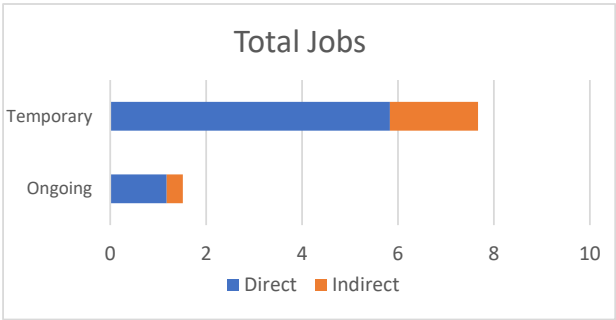
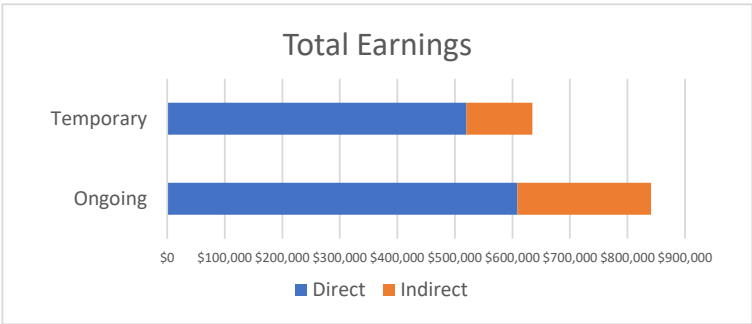


Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$852,486	\$767,389
Sales Tax Exemption	\$33,978	\$33,978
Local Sales Tax Exemption	\$18,445	\$18,445
State Sales Tax Exemption	\$15,533	\$15,533
Mortgage Recording Tax Exemption	\$15,000	\$15,000
Local Mortgage Recording Tax Exemption	\$5,000	\$5,000
State Mortgage Recording Tax Exemption	\$10,000	\$10,000
Total Costs	\$901,464	\$816,367

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$2,103,163	\$1,950,179
To Private Individuals	\$1,475,832	\$1,387,813
Temporary Payroll	\$634,641	\$634,641
Ongoing Payroll	\$841,192	\$753,172
Other Payments to Private Individuals	\$0	\$0
To the Public	\$627,331	\$562,366
Increase in Property Tax Revenue	\$103,488	\$91,322
Temporary Jobs - Sales Tax Revenue	\$5,275	\$5,275
Ongoing Jobs - Sales Tax Revenue	\$13,367	\$11,968
Other Local Municipal Revenue	\$505,200	\$453,800
State Benefits	\$82,111	\$76,973
To the Public	\$82,111	\$76,973
Temporary Income Tax Revenue	\$28,559	\$28,559
Ongoing Income Tax Revenue	\$37,854	\$33,893
Temporary Jobs - Sales Tax Revenue	\$4,442	\$4,442
Ongoing Jobs - Sales Tax Revenue	\$11,257	\$10,079
Total Benefits to State & Region	\$2,185,274	\$2,027,152

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$1,950,179	\$790,835	2:1
State	\$76,973	\$25,533	3:1
Grand Total	\$2,027,152	\$816,367	2:1

*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

