

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 435th Meeting
April 15, 2011 – 8:30 am
Agency Offices, 4287 Main Street

The meeting of the above captioned Corporation was called to order by Chairman Fredrick A. Vilonen.

PRESENT:	Fredrick A. Vilonen Edward F. Stachura Aaron Stanley Stuart Shapiro Robert M. Ciesielski James Allen, Executive Director Nathan Neill, Esq. Steven Sanders, Town Board Liaison
ABSENT:	Randall Clark Ayesha Nariman
GUESTS:	AIDA Staff Dave Tytka, Uniland Development David Robinson, Buffalo News David Chiazza, Iskalo Development Matt Roland, Iskalo Development Bob Syracuse, Pizza Plant Dan Syracuse, Pizza Plant Dr. Barry Weinstein, Town of Amherst

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

MINUTES

The minutes of the March 2011 meeting were approved as presented.

BILLS & COMMUNICATIONS

There were no Bills & Communications at this meeting

TREASURER'S REPORT

The Treasurer's Report for March 2011 was approved as presented.

PUBLIC COMMENT

There was no Public Comment at this meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Allen informed the board that the ICIB final draft report was presented in a Public Information Session held March 31st at the Harlem Road Community Center.

Executive Director told the board that he met with Senator Grisanti and the head of the NYS DEC in Albany to discuss SEQR and wetlands issues in WNY. He explained that the meeting went well.

COMMITTEE REPORTS-Governance Committee

PAAA guidelines require an annual review and re-adoption of certain policies. Agency staff has reviewed all Agency policies and will presented recommended amendments to the Fee Schedule Policy, the Procurement Policy and the Data Gathering Policy at the Governance Committee meeting scheduled for Tuesday, April 12, 2011. Agency staff recommended that the board re-adopt the remainder of the Agency's current policies – Audit Committee Charter, Governance Committee Charter, Code of Ethics Policy, Conflict of Interest Policy, Defense & Indemnification Policy, Employee Compensation Policy, Expense Policy, Financial Disclosure Policy, Investment Policy, Property Disposal Policy, Real Property Acquisition Policy, Recapture Policy, Whistleblower Policy. These can be found on the AIDA website: www.amherstida.com/resources/reports.html.

Upon a motion by Edward Stachura, seconded by Aaron Stanley and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY ADOPT THE FEE SCHEDULE POLICY, THE PROCUREMENT POLICY AND THE DATA GATHERING POLICY WILL THE RECOMMENDED AMENDMENTS AS PRESENTED BY THE GOVERNANCE COMMITTEE.

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY RE-ADOPT THE AUDIT COMMITTEE CHARTER, THE GOVERNANCE COMMITTEE CHARTER, THE CODE OF ETHICS POLICY, THE CONFLICT OF INTEREST POLICY, DEFENSE & INDEMNIFICATION POLICY, EMPLOYEE COMPENSATION POLICY, EXPENSE POLICY, FINANCIAL DISCLOSURE POLICY, INVESTMENT POLICY, PROPERTY DISPOSAL POLICY, REAL PROPERTY ACQUISITION POLICY, RECAPTURE POLICY AND THE WHISTLEBLOWER POLICY.

NEW BUSINESS

APPLICANT

SB Holdings, LLC (Pizza Plant)
5110 Main St
Amherst, NY 14221
Robert J. Syracuse, President

PROJECT LOCATION

7770 Transit Road

REQUEST

The applicant is requesting authorization for a \$1,700,000 Lease Transaction for the renovation and equipping of a 5,202 square foot single tenant retail facility for Pizza Plant. The project is located at a vacant building at 7770 Transit Road, within the Williamsville Central School District.

The applicant states that "Pizza Plant Italian Pub is an eclectic restaurant that has been in business for 30 years. We provide a broad range of food items in casual themed pub environment. Our customer base comes from a wide area of WNY and southern Ontario. We are known for our trademarked item the Pod, along with vegetarian items, gluten free items and a wide range of craft-brewed beers. "

The application also states “We constantly are researching new products and developing new items for our product line. We have our own formula gluten-free flour that we have developed and use at our Main St location and are in the process of producing a consumer sized pack for distribution.”

The applicant says that Pizza Plant was forced to close its 8020 Transit Road location in 2010 after their lease was not renewed. The non-renewal came with little warning and they were unable to secure a new location. They had occupied the 8020 Transit Road site for 23 years and in addition to its business interruption the company incurred significant legal fees against its former landlord. This project represents significant risk to the company due to the legal costs and stabilizing the business by choosing to own its facility versus leasing again.

The application goes on to state that IDA participation is necessary “since we had to close our former location on Transit before we had secured an alternate site, we have incurred considerable expense. IDA help would go a long way to help us mitigate these expenses. Considering the fact that we have lost half our income, we need as much help as possible to get our new location up and running. We are sustaining considerable expense to remodel the property at 7770 Transit and feel that the sales tax, property tax and mortgage tax reductions are certainly necessary. Since the building has been vacant for three years on a heavily traveled byway and intersection, we feel confident that we will add value to the surrounding area. We are taking a building that has been vacant for nearly three years and turning it into a vibrant restaurant that has already been proven to attract people from all over WNY, out of state and out of the country.”

EMPLOYMENT

The project will create 15 full-time and 35 part-time employment opportunities upon completion. Payroll is estimated to be \$600,000.

PILOT SCHEDULE

Based on the information contained within the application, the project would be eligible for the Agency’s 485-b equivalent PILOT, which is for 10-years starting at 50% abatement and decreasing 5% each year. During the abatement period, the project will pay an estimated \$264,861 in property taxes; \$64,527 to the Town of Amherst, \$45,675 to Erie County and \$154,659 to the Williamsville Central School District.

The facility has been vacant for three years and currently has a partial assessment. It generates \$16,119 in annual town, county and school taxes. Over the abatement period this amount would be \$161,190. Should this project proceed, the estimated net revenue gain would be \$103,671.

Project Tax Savings

As a result of the Agency’s participation in this transaction, the project applicant would realize an estimated \$21,875 in sales tax savings, \$31,939 in property tax savings and \$17,000 in mortgage recording tax savings.

Supervisor Barry Weinstein voiced his support for the project because the building has been vacant for the past several years and because the request for assistance was modest.

Upon a motion by Edward Stachura, seconded by Stuart Shapiro and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE SB HOLDINGS LLC (THE "LESSEE") TO ACQUIRE AN EXISTING APPROXIMATELY 5202 SQUARE FOOT BUILDING FORMERLY OPERATED AS THE ATLANTA BREAD COMPANY ON AN APPROXIMATELY 1.29 ACRE PARCEL OF LAND LOCATED AT 7770 TRANSIT ROAD, AMHERST, NEW YORK FOR LEASE BY THE LESSEE TO THE AGENCY FOR SUBLEASE BY THE AGENCY TO THE LESSEE FOR SUB-SUBLEASE TO SYRACUSE'S PIZZA PLANT INC. (THE "SUBLESSEE"), AND AUTHORIZE THE SUBLESSEE TO RENOVATE THE EXISTING BUILDING AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH AS AGENT FOR THE AGENCY FOR SALE BY THE AGENCY TO THE SUBLESSEE PURSUANT TO AN INSTALLMENT SALE AGREEMENT, ALL FOR A RESTAURANT AND A COMMERCIAL FACILITY UNDER THE ACT, AND TO TAKE OTHER PRELIMINARY ACTION.

APPLICANT

Iskalo Development Corp
5166 Main Street
Amherst, NY 14221
David Chiazza, EVP

PROJECT LOCATION

5178 Main St (The Mennonite House)

REQUEST

A request for a \$1,254,535 Lease Transaction that consists of the renovation and equipping of a 1,806 square foot existing facility which is listed on the National Register of Historic Places. The project will also include the construction and equipping of a 1,634 square foot facility on the same property. The project is located at 5178 Main Street and is within a Town of Amherst designated Enhancement Area and the Williamsville Central School District

The building is presently owned by the Town of Amherst and utilized for records storage. Due to the cost of owning and maintaining the property, including the accumulation of deferred maintenance with respect to the building, the Town of Amherst decided to sell the property. Through an RFP process initiated by the Town, Iskalo was the winning bidder and entered into a contract to purchase the property. Iskalo is working with a tenant that is new to the Williamsville submarket but whose identity is confidential at this time. Iskalo is proposing to undertake all deferred maintenance and otherwise improve the property for the prospective tenant in compliance with the property's listing on the National Historic Register of Historic Places.

The applicant states that Agency participation is necessary because "the adaptive re-use undertaking of the property will result in premium costs due to (a) the accumulation of deferred maintenance with respect to the building (b) costs related to the restoration of historic components (which materials and means & methods are more expensive than conventional construction), and (c) improvements necessary to adapt the building from passive, infrequent use (as a church meeting room and now records storage) to active, daily commercial occupancy. Further, the prospective user will require an addition be constructed on the site to accommodate functions that do not fit in the existing building. Due to historic requirements, the addition will need to be configured in a manner that is largely separated from the existing building, increasing its component cost (as compared to merging it with the existing building as would be done in conventional situations)." Iskalo included the necessity of an AIDA inducement in its purchase agreement with the Town of Amherst as a means to partially offset these costs.

EMPLOYMENT

The project will create 6.25 full-time (FTE) employment opportunities upon completion. Payroll is estimated to be \$340,000.

PILOT SCHEDULE

Based on the information contained within the application, the project would be eligible for the Agency's 485-b equivalent PILOT, which is for 10-years starting at 50% abatement and decreasing 5% each year. During the abatement period, the project will pay an estimated \$220,817 in property taxes; \$58,278 to the Town of Amherst, \$37,514 to Erie County and \$127,025 to the Williamsville Central School District.

The facility has never been on the tax rolls. It generates \$167.26 in annual special district taxes. Over the abatement period this amount would be \$1,672.60. Should this project proceed, the estimated net revenue gain would be \$219,144.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$37,960 in sales tax savings, \$59,423 in property tax savings and \$12,545 in mortgage recording tax savings.

Upon a motion by Edward Stachura, seconded by Aaron Stanley and unanimously carried, it was

RESOLUTION OF THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE ISKALO DEVELOPMENT CORP. ON BEHALF OF A LIMITED LIABILITY COMPANY TO BE FORMED (THE "LESSEE") TO ACQUIRE AN APPROXIMATELY .43 ACRE PARCEL OF LAND WITH AN EXISTING APPROXIMATELY 1,806 SQUARE FOOT BUILDING THEREON LOCATED AT 5178 MAIN STREET IN THE TOWN OF AMHERST, NEW YORK, TO RENOVATE THE EXISTING BUILDING, TO CONSTRUCT AN APPROXIMATELY 1,634 SQUARE FOOT ADDITION THERETO AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A MULTI-TENANT OFFICE FACILITY FOR LEASE BY THE LESSEE TO THE AGENCY AND SUBSEQUENT SUBLEASE BY THE AGENCY TO THE LESSEE FOR SUB-SUBLEASE BY THE LESSEE TO OTHER TENANTS, AND TO TAKE OTHER PRELIMINARY ACTION.