

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 446th Meeting
August 17, 2012 – 8:30 am
Agency Offices, 4287 Main Street

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

PRESENT: Fredrick A. Vilonen
Edward F. Stachura
Aaron Stanley
Stuart Shapiro
Ayesha Nariman
Barry A. Weinstein, MD
James Allen, Executive Director
Nathan Neill, Esq.

ABSENT: Robert M. Ciesielski

GUESTS: AIDA Staff
Jonathan Epstein, Buffalo News
Jim Fink, Business First
Clint Cornwall, Amherst Stainless Fabricator
Ann Redmond, Fisher Associates

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

MINUTES

The minutes of the May 2012 meeting were approved as presented.

BILLS & COMMUNICATIONS- The Agency received a copy of a letter from Supervisor Barry Weinstein to the ECIDA in response to a solicitation of comments regarding a change to the County-wide eligibility policy and changes to the Hotel Policy (attached to these minutes)

TREASURER'S REPORT

The Treasurer's Reports May, June and July 2012 were approved as presented.

PUBLIC COMMENT

There was no public comment at this meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Allen briefly discussed the County-wide Eligibility policy and the proposed changes to the hotel policy. Mr. Allen told the board that he has been working with the IDA Policy Committee over the past several months and that he expected proposals for additional policy changes over the next few months. He told the board that he would continue to discuss any proposed changes with them.

COMMITTEE REPORTS

There were no Committee Reports at this meeting.

UNFINISHED BUSINESS

There was no Unfinished Business at this meeting.

NEW BUSINESS

I. Authorization Resolution – Refinancing Transaction

15 Limestone Drive Associates, LLC - is requesting the refinancing of their project located at 15 Limestone Drive. The project originally involved the construction of a 12,000 square foot single tenant facility. The Agency closed on the \$1,800,000 mortgage in May 2007.

The current outstanding balance is \$1,531,000. They are requesting a refinancing amount of \$1,650,000. First Niagara Bank will provide the financing for this transaction. The purpose of the refinancing is to take advantage of favorable lending rates and terms. The PILOT agreement expires in 2014.

Upon a motion by Barry Weinstein, seconded by Aaron Stanley, it was

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
AUTHORIZE THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT AMENDMENT, A
MORTGAGE AND THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS AND
AGREEMENTS REQUIRED IN CONNECTION THEREWITH IN CONNECTION WITH THE
REFINANCING OF THE 2007 15 LIMESTONE DRIVE ASSOCIATES, LLC PROJECT WITH A
MORTGAGE AMOUNT OF \$1,650,000 INCLUDING NEW MONEY**

II. Authorization Resolution – Mortgage Modification

Asbury United Partners, LLC (1800/1900 Sweet Home Rd) – is requesting a modification to their existing mortgage which would extend the term of the mortgage and the release of a portion of the premises. The release of premises is directly related to the Affordable Senior Housing project approved by the Agency at it 9/16/11 meeting.

There are no additional tax incentives associated with this transaction.

Upon a motion by Barry Weinstein, seconded by Aaron Stanley and unanimously carried, it was

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
AUTHORIZE THE EXECUTION AND DELIVERY OF A MORTGAGE MODIFICATION AND
EXTENSION AGREEMENT AND THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS
AND AGREEMENTS REQUIRED IN CONNECTION THEREWITH IN CONNECTION WITH
THE REFINANCING OF THE 2004 ASBURY UNITED PARTNERS, LLC PROJECT WITH NO
NEW MONEY**

III. Authorization Resolution – 60 John Glenn Corp./Amherst Stainless Fabrication, LLC/General Oil Equipment, Co., Inc.

Project Applicant

60 John Glenn Corp./Amherst Stainless Fabrication, LLC/General Oil Equipment Co., Inc.

60 John Glenn Dr

Amherst, NY 14228

Clint Cornwall, Special Projects Manager

Project Eligibility

- The purposes of an industrial development agency shall be to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities per Section 858 of General Municipal Law.
- The tenant is eligible under NAICS 333294, 332420 as a manufacturing facility.
- The project complies with the Town of Amherst Comprehensive Plan as it maintains and grows the tax base through a high quality development.

Project Description

The applicant is requesting assistance for a Lease Transaction estimated at \$1,300,000. The project involves the construction and equipping of a 14,000 square foot addition to their existing manufacturing/warehouse facility located at 60 John Glenn Drive within the Sweet Home Central School District.

60 John Glenn, Inc. is a real estate holding company that owns the property at that address for organization purposes to house General Oil Equipment (GOE) and Amherst Stainless Fabrication (ASF). GOE designs and sells coating systems to the baking industry worldwide, supplies parts to services stations in a two state area and supplies process control equipment to the food, beverage and chemical industrial nationwide and in Canada. Amherst Stainless Fabrication was acquired by GOE in 1988 as Avins Fabricating. Starting out as a small fabrication shop in Tonawanda, ASF now performs custom fabrication in stainless steel for a worldwide client base. The applicant indicates that 70% of their sales are generated from outside New York State.

The applicant states that IDA participation is necessary “in order to continue to compete on the world stage. Greater pressures on our production times require more storage and production space. However, this expansion must take place in a cost effective way. We compete with international companies having lower costs across the board. The IDA’s help is needed to make the increased space as affordable as possible. We have had steady employment growth over the last 10 years and with this expansion we will be better able to sustain it. Our alternatives would include greater outsourcing, reducing our local expenditures, or relocation to a lower cost environment. Naturally both possibilities have positives and negatives. We are hopeful that with the IDA’s help we can avoid being another employer casualty of New York State’s high tax environment. We have many long term employees and our possible relocation would likely add to the shrinking Erie County taxpayer base as well.”

Employment

The project will retain 42 full-time and 3 part-time employment opportunities with an annual payroll of \$1,900,000. The project will create an additional 3 full-time jobs upon completion with an estimated payroll of \$120,000.

PILOT SCHEDULE

Based on the information contained within the application, the new building constructed on the site would be eligible for the Agency's 10-year graduated PILOT schedule. During the abatement period, the building addition would generate an estimated \$72,600 in property taxes broken down as follows: \$35,335 to the Town of Amherst, \$7,098 to Erie County and \$30,167 to the Sweet Home Central School District.

The existing facility currently generates \$38,907 in annual town, county and school taxes, which amounts to \$389,073 over the abatement period.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$31,750 in sales tax savings, an estimated \$9,500 in mortgage recording tax savings and approximately \$165,687 in property tax savings.

Upon a motion by Barry Weinstein, seconded by Aaron Stanley, and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING 60 JOHN GLENN INC. (THE "LESSEE") TO CONSTRUCT AN APPROXIMATELY 14,000 SQUARE FOOT ADDITION TO ITS EXISTING MANUFACTURING/WAREHOUSING FACILITY LOCATED AT 60 JOHN GLENN DRIVE AMHERST, NEW YORK AND AUTHORIZING THE LESSEE AND AMHERST STEEL FABRICATION, LLC AND GENERAL OIL EQUIPMENT, CO., INC. (COLLECTIVELY, THE "SUBLESSEES" AND EACH A "SUBLESSEE") AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A MANUFACTURING/WAREHOUSING FACILITY FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEE FOR SUBLEASE TO THE SUBLESSEES AND TO TAKE OTHER PRELIMINARY ACTION.

Supervisor Weinstein requested that staff review the PILOT policy to see if seven years might be more appropriate for these types of transactions. He noted that the ten year abatement policy seems to be giving away too much.

9:18 am – meeting adjourned.



TOWN OF AMHERST

BARRY A. WEINSTEIN, M.D.
SUPERVISOR

August 1, 2012

Mr. John Cappellino
Executive Vice President
ECIDA
143 Genesee Street
Buffalo, NY 14203

Dear Mr. Cappellino:

Thank you for soliciting my comments as an ECIDA board member in regard to ECIDA's proposed amendment to the Uniform Tax Exemption Policy (UTEP) as it relates to hotel/motel construction, renovation, or rehabilitation projects.

For many years, the five municipalities with their own IDA's and the ECIDA, representing communities without local IDA's, have effectively and collaboratively discussed issues impacting all Erie County communities. Through this joint initiative, the current Uniform Tax Exemption Policy was adopted.

I agree that it is appropriate and advantageous for the ECIDA to solicit comments from its own board and the municipalities the ECIDA represents. However, it would be inappropriate to amend the existing policy without considering the input of all municipalities that created the existing UTEP and will be impacted by changes to it. I strongly encourage the ECIDA to include the five local IDA's when considering amendments to this policy. Feedback from all Erie County communities is essential to addressing the long-term needs of our region.

Regards,

Barry A. Weinstein, M.D.
Supervisor

BAW/sv

cc: John J. LaFalce, Chairman, ECIDA
Richard M. Tobe, Deputy County Executive
James J. Allen, Executive Director, Amherst IDA
Gary A. Eppolito, Supervisor, Town of Concord
Dino J. Fudoli, Supervisor, Town of Lancaster
David C. Hartzell, Jr., Supervisor, Town of Clarence
Steven J. Walters, Supervisor, Town of Hamburg

July 24, 2012



Town of Amherst Industrial Development Agency
4287 Main Street
Buffalo, NY 14226

RE: Erie County Industrial Development Agency
Amendment of Uniform Tax Exemption Policy

Dear Sir/Madam:

Please accept this correspondence as notice from the Erie County Industrial Development Agency (the "Agency") that the Agency contemplates amending its Uniform Tax Exemption Policy ("UTEP") under Section 874 of the General Municipal Law of the State of New York (the "GML"). The Agency anticipates amending its UTEP to allow for certain policy clarifications with respect to new hotel/motel construction and hotel/motel renovation or rehabilitation projects.

Enclosed is a copy of the Agency's existing UTEP, and a copy of the proposed amendment to the UTEP. The Agency will hold a meeting of its members on August 20, 2012 at 9:00 a.m., at the Agency's office located at 143 Genesee Street, Buffalo, New York, to consider amending its UTEP as described herein.

We are providing this letter to you, pursuant to Section 874 of the GML, to notify you of the proposed amendments to the UTEP, and to inform you that the Agency is contemplating amending its UTEP to ensure more efficient use of the Agency's financial assistance (i.e., the use of sales and use tax exemptions, mortgage recording tax exemptions, and real property tax abatements) with respect to hotel/motel construction and renovation or rehabilitation projects.

The Agency is seeking your comments and input regarding the proposed amendment to the UTEP. If possible, comments should be submitted to the Agency by August 3, 2012. Comments may be submitted to the Agency in writing and can also be sent electronically to the Agency at info@ecidany.com. Prior to taking final action on the proposed amendment, the Agency will review and consider such input and correspondence received from any affected tax jurisdiction regarding the proposed amendment.

Should you have any questions or concerns please contact me at (716) 856-6525.

Very truly yours,

A handwritten signature in black ink that reads "John Coppel". The signature is written in a cursive style with a long, sweeping tail on the letter "l".

Executive Vice President

Encs.



EXHIBIT B

ECIDA Hotel Assistance Policy

Hotels/Motels - IDA Incentives for hotels and motels will be restricted to capital costs associated with such projects as provided below.

1. Except as provided in paragraph 2 of this policy, the ECIDA will not provide assistance to a new hotel construction project or to a hotel renovation project.
2. The ECIDA will consider assistance to a new hotel construction project or a hotel renovation project if such project meets one of the following criteria:
 - a. It is a new hotel or an existing hotel that is substantially renovated in connection with a new or existing convention center and would substantially and directly impact the operations of such convention center.
 - b. It is a new hotel or a renovated hotel associated with a new conference center that primarily serves out of area users provided that the center has stand alone food service facilities and provides state of the art conference center amenities such as modern computer, teleconferencing, video conferencing, and modern audio visual capabilities. Provided further that a market analysis demonstrates that the primary portion of the conference center's customers would come from outside Erie County. In such instance, the conference center would also be eligible for Agency assistance.
 - c. It is a new hotel constructed in connection with a major regional destination attraction and the new hotel would directly support the operations of the major regional attraction.
 - d. It is a component part of an Adaptive Reuse Project that meets the additional requirements of the Agency's Adaptive Reuse Project policy and which is approved for Agency assistance.