**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**

**Minutes of the 442nd Meeting**

**January 20, 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

Robert M. Ciesielski

Barry A. Weinstein, MD

James Allen, Executive Director

 Nathan Neill, Esq.

ABSENT: Ayesha Nariman

 GUESTS: AIDA Staff

 Steven Sanders, Councilman

 Paul Gregory, Ellicott Development

 Carl Paladino, Ellicott Development

 Peggy Jisa, Ellicott Development

 Jonathan Epstein, Buffalo News

 Jim Fink, Business First

 Julie Moore, Amherst resident

 Dave Tytka, Uniland Development

 Andy Reynolds, Coalition for Economic Justice

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

**MINUTES**

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

**BILLS & COMMUNICATIONS**

 There were no Bills & Communications presented for this meeting.

**TREASURER’S REPORT**

The Treasurer’s Reports for both November and December 2011 were approved as presented.

**PUBLIC COMMENT**

There was no public comments at this meeting.

**EXECUTIVE DIRECTOR’S REPORT**

Executive Director Allen informed the board that he would keep his report brief. He told the board that he continues to work with the CCB (Coalition for Community Building) Group and that they continue to meet with the local delegation regarding revisions to Section 862 of GML.

**COMMITTEE REPORTS**

 There were no Committee Reports at this meeting.

**NEW BUSINESS**

1. **Authorization Resolution – 5000 Group, LLC**

**Project Applicant**

5000 Group, LLC

5195 Main Street

Amherst, NY 14221

Paul Gregory, Vice President

**Project Description**

5000 Group LLC is requesting assistance for a $22,749,300 Lease Transaction for the construction and equipping of a 219,640 square foot, 6-story, mixed-use project located at 5195 Main Street and 36 South Union Road, within a Town of Amherst designated Enhancement Area. The Town of Amherst Comprehensive Plan, adopted in 2007, designates that section of Main Street as an activity center which seeks to encourage this type of mixed use development that maximizes development of the site and leverages existing infrastructure.

The project includes a 120-room select service hotel, 40 market rate apartments, 4,300 square feet of retail space, a 3,000 square foot restaurant and 234 on-site parking spaces including 183 structured spaced and 51 surface spaces. It will involve the demolition of the existing Stereo Advantage Building which is a collection of buildings that were constructed over time and are not conducive to the proposed development. The existing Stereo Advantage Building has multiple floor levels, lacks an elevator and does not efficiently utilize the site. The developer is finalizing leases for the restaurant and retail space which will realize new offerings, not relocated businesses from other areas of the region.

AIDA assistance is necessary to mitigate the additional cost and risks associated with redeveloping the site. The project is located in an urban area with a substantially higher acquisition cost. The purchase price of $3.6 million is nearly six times more than the typical cost of a hotel site the developer considers purchasing. A significant portion of the purchase price is related to the existing building which cannot be used and must be demolished at an estimated cost of $100,000. Additionally, the development will require structured parking, which will increase the total cost of the project by approximately $1.5 million and will increase the annual cost of operating and maintaining the facility by $20,000 - $25,000. Structured parking maximizes the developable area on the property as seen in similar redevelopment projects throughout the country. The hotel will have an 18-month ramp-up period before it can achieve stabilized operations which affects the ability to finance the project without AIDA assistance.

**Employment**

The project will create 39 full-time and 11 part-time employment opportunities upon completion with an estimated payroll of $1,250,000.

**PILOT SCHEDULE**

Based on the information contained within the application, the project would be eligible for the equivalent of the 485(b) property tax exemption. During the abatement period, the project would pay an estimated $3,061,714 in property taxes broken down as follows: $916,311 to the Town of Amherst, $480,051 to Erie County and $1,665,352 to the Williamsville Central School District.

The developer will apply for the 485(b) exemption through the Town of Amherst Assessor’s Office and only enter into an Agency PILOT if the Williamsville Central School District has not opted in to the program.

The property currently generates $40,917 in annual town, county and school taxes. Over the abatement period this amount would be $409,174. Should this project proceed, the estimated net revenue gain would be $2,652,540.

**Project Tax Savings**

As a result of the Agency’s participation in this transaction, the project applicant would realize an estimated $844,092 in sales tax savings, $227,493 in mortgage recording tax savings and $830,055 in property tax savings broken down as follows: $129,770 Town of Amherst, $156,695, Erie County and $543,590 Williamsville Central School District.

Representatives of the Ellicott Group (project applicant) made a detailed presentation to the board about the project.

Board member Barry Weinstein noted that he supported the substantial re-use of the project site.

Board member Robert Ciesielski questioned whether the proposed hotel could be converted to residential if the hotel project doesn’t work out. He was told that is most possible.

The board discussed the project at length.

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

**RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE 5000 GROUP, LLC (THE “LESSEE”) TO ACQUIRE AN APPROXIMATLEY 2.29 ACRE PARCEL OF LAND LOCATED AT 5195 MAIN STREET AND 36 S. FOREST ROAD, AMHERST, NEW YORK, TO DEMOLISH THE EXISTING BUILDING LOCATED THEREON, TO CONSTRUCT AN APPROXIMATELY 219,640 SQUARE FOOT, 6-STORY, MIXED-USE COMMERCIAL AND RESIDENTIAL FACILITY THEREON AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A MIXED-USE COMMERCIAL AND RESIDENTIAL FACILITY FOR LEASE BY THE LESSEE TO THE AGENCY AND SUBSEQUENT SUBLEASE BY THE AGENCY TO THE LESSEE FOR SUB-SUBLEASE IN PART TO OTHER TENANTS AND TO TAKE OTHER PRELIMINARY ACTION.**

 At the request of Chairman Vilonen, the board briefly discussed the ECC Housing project as it was reported by certain media outlets. Mr. Vilonen noted that the Agency does not have an application for assistance at this time. He also mentioned that the Agency and/or the Corporation had participated in student housing projects in the past. He reminded everyone that those had been for not-for-profit organizations and were permitted projects by both IDA statute and the county-wide eligibility policy. Mr Vilonen went on to say that as he understands the project structure today as a for-profit venture, the Agency could not participate unless it deviated from policy.

9:45 am – meeting adjourned.