

**TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY**

**Minutes of the 447th Meeting  
September 21, 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  
Stuart Shapiro  
Ayesha Nariman  
James Allen, Executive Director  
Nathan Neill, Esq.

**ABSENT:** Aaron Stanley  
Barry A. Weinstein, MD  
Robert M. Ciesielski

**GUESTS:** AIDA Staff  
David Robinson, Buffalo News  
Jim Fink, Business First  
Ron George, Zaepfel Development Company  
Dave Tytka, Uniland Development  
Janice Gentz, Center for Handicapped Children

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

**MINUTES**

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

**BILLS & COMMUNICATIONS-** The Agency received a copy of a letter from NYS Senator Patrick Gallivan announcing a Public Hearing on IDAs on September 26<sup>th</sup> (attached to these minutes).

**TREASURER'S REPORT**

The Treasurer's Report August 2012 was approved as presented.

**PUBLIC COMMENT**

There was no public comment at this meeting.

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director Allen 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 recommended approval of the proposed amendments to the hotel policy.

Mr. Allen also informed the board that he would be testifying a Senator Gallivan's Public Hearing on IDA reform. Mr. Allen noted that there are currently no bills that he is aware of and that Senator Gallivan was trying to get a discussion started about any future IDA reform.

Mr. Allen informed the board that there would be a Re-Development Workshop on October 15<sup>th</sup> at the Millenium Hotel. He noted that John Norquist would be the headline speaker and that Paul Byer has been invited to speak as well.

Mr. Allen told the board that he was attending a conference of New Urbanism being held in Chatauqua on October 12<sup>th</sup>.

## **COMMITTEE REPORTS**

**Governance Committee** - The Governance Committee met on Tuesday, September 18, 2012 to discuss the proposed amendment to the Uniform Tax Exemption Policy (UTEP) pertaining to IDA assistance of hotel project. Attached is a letter from ECIDA Chairman John LaFalce requesting the Agency consider the proposed amendment.

Upon a motion by Edward Stachura, seconded by Ayesha Nariman and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT APPROVE THE CHANGES TO THE HOTEL POLICY CONTAINED WITH THE COUNTY-WIDE UNIFORM TAX EXEMPT POLICY FOR ERIE COUNTY'S INDUSTRIAL DEVELOPMENT AGENCIES.

## **UNFINISHED BUSINESS**

There was no Unfinished Business at this meeting.

## **NEW BUSINESS**

### **I. Authorization Resolution**

#### **Project Applicant**

1085 Eggert Road, LLC  
5505 Main Street  
Amherst, New York 14221  
James A. Zaepfel, Member

#### **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 tenants are eligible under the Countywide Eligibility Policy as non-profit educational services under NAICS 61.

- The project complies with the Town of Amherst Comprehensive Plan as it strengthens a community facility that meets residents' needs and contributes to the Town's high quality of life.

### **Project Description**

The applicant is requesting assistance for a Lease Transaction estimated at \$2,200,000. The project involves the purchase of an existing 32,400 square foot school located at 1085 Eggert Road within the Amherst Central School District. The Center for Handicap Children Inc. and The Kadimah School will occupy the facility.

The property is currently tax-exempt and pays \$1,162 in annual special district taxes.

1085 Eggert Road, LLC will lease the property to The Center for Handicapped Children Inc. (CHC). CHC provides educational and therapeutic programming for pre-school and school age children and will be moving its operations from their present 14,000 square foot facility at 80 Lawrence Bell Drive. The applicant indicates that they are currently negotiating with a tenant for the entire 80 Lawrence Bell Drive facility and estimates that it will be leased within six months.

The present owner of the Eggert Road site, The Kadimah School, has lost significant enrollment making their continued sole occupancy in the property financially unfeasible. The CHC programs fit the layout of the building without major renovation, however, CHC operates under very tight budget restraints and does not have the capital to purchase the property. 1085 Eggert Road, LLC is applying for AIDA assistance to purchase the facility which allows for CHC to expand. If CHC were to purchase this property, the property would continue to be tax exempt.

The applicant is not seeking relief from sales tax exemption for this project.

### **Employment**

The CHC will retain 57 full-time and 3 part-time employment opportunities with an annual payroll of \$1,873,000. The project will create an additional 11 full-time jobs upon completion with an estimated payroll of \$289,785.

The Kadimah School currently employs 10 FTE and their employment is expected to remain the same with this transaction.

### **PILOT SCHEDULE**

The project is eligible for the Agency's 10-year, 485(b) Real Property Tax Exemption. During the abatement period, the property will generate an estimated \$519,405 in property taxes broken down as follows: \$105,710 to the Town of Amherst, \$82,995 to Erie County and \$330,699 to the Amherst Central School District. The basis for this calculation is the property will begin to be fully taxed on the land value. The abatement will be on the estimated building value beginning at 50% and increasing by 5% over the abatement period, with the property paying 100% taxes in Year 11 of the project.

As stated above, the property is currently tax-exempt and pays \$1,162 in annual special district taxes. Over the term of the abatement period this would amount to 11,620. Should the Agency proceed with this transaction, the net revenue gain over the abatement period would be an estimated \$507,785.

**Project Tax Savings**

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$22,000 in mortgage recording tax savings and approximately \$100,675 in property tax savings over the 10 year abatement period.

Upon a motion by Edward Stachura, seconded by Ayesha Nariman and unanimously carried, it was

**RESOLVED THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE 1085 EGGERT ROAD, LLC (THE "LESSEE") TO ACQUIRE AN EXISTING SCHOOL LOCATED AT 1085 EGGERT ROAD, AMHERST, NEW YORK CURRENTLY OWNED AND OCCUPIED BY THE KADIMAH SCHOOL OF BUFFALO, INC., WITH A PORTION TO CONTINUE AS A SCHOOL WITH THE KADIMAH SCHOOL OF BUFFALO, INC. CONTINUING AS A TENANT AND THE BALANCE AS A CENTER FOR HANDICAPPED CHILDREN FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEE FOR SUB-SUBLEASE TO THE KADIMAH SCHOOL OF BUFFALO, INC. AND THE CENTER FOR HANDICAPPED CHILDREN, INC. AND TO TAKE OTHER PRELIMINARY ACTION.**

9:50 am – Meeting adjourned.

THE SENATE  
STATE OF NEW YORK  
ALBANY 12247



PATRICK M. GALLIVAN

August 27, 2012

Mr. James Allen  
Executive Director  
Amherst IDA  
4287 Main Street  
Amherst NY 14226

Dear Mr. Allen:

In recent weeks numerous articles have appeared in local media relating to potential reforms to industrial development agencies, or IDA's, in Erie County. Erie County has a total of six IDAs, one countywide IDA and five town IDA's; Amherst, Clarence, Concord, Hamburg and Lancaster.

Much of this recent debate has focused on the roles of the Erie County IDA (ECIDA) and the five town IDAs. Assemblyman Sean Ryan, with the support of County Executive Mark Poloncarz, has proposed changes to the current IDA structure that town IDAs charge will put them out of business. Meanwhile, town IDA's have recently suggested regionalizing their reach to nearby towns, allowing additional communities to utilize a local IDA. Both proposals have garnered a degree of support and a degree of opposition from various interested parties in Erie County.

My office has held meetings with both Assemblyman Sean Ryan and representatives of every town IDA. Both sides have presented cogent, though different, arguments. As Chairman of the Senate Committee on Commerce, Economic Development and Small Business, in addition to representing a district that includes two Erie County towns with IDAs, it is my particular interest that, if changes are made to the current IDA structure in Erie County, these changes tangibly improve the industrial development agency system and economic development in Erie County.

**Towards that end, I will be holding a public hearing on proposals for IDA reform in Erie County on September 26<sup>th</sup> from 2:00 PM to 4:00 PM at the Buffalo and Erie Public Library, 1 Lafayette Square, Buffalo, NY.**

I will be inviting all IDAs within Erie County to testify at this hearing, as well as state and local officials, business groups, chambers of commerce, labor interests, and members of the public. It is my intent that the information presented at this hearing will inform my decision of whether to advance legislation that will alter the current composition of IDAs in Erie County, and if so, what form such legislation should take.

I hope that you or a representative will be able to participate in this hearing. If you will be able to attend, please **RSVP to my district office by September 21<sup>st</sup>** so that we can ensure you have the opportunity to speak. Following the scheduled speakers, comments from audience will be heard for as long as time permits.

Should you or a representative be unable to attend, my office will accept written testimony on the matter until October 1, 2012.

Thank you, I look forward to an informative hearing.

With best wishes and kind regards

A handwritten signature in cursive script, reading "Patrick M. Gallivan".

Patrick M. Gallivan  
Senator – 59<sup>th</sup> District

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September 11, 2012

Mr. Rick Villone  
Chairman  
Amherst IDA  
4287 Main Street  
Amherst, New York 14228

Dear Mr. Villone: 

Attached please find a copy of the proposed changes to the Uniform Tax Exemption Policy Hotel provisions, that were discussed at our recent meeting. It is my intention to introduce the new amended hotel policy at the ECIDA's September Board of Directors meeting for approval.

I was very pleased with our recent meeting and thought the dialogue was productive and useful. As a result, we were able to make a change to the proposed hotel policy that made the policy more beneficial to the communities that we all serve.

If your board members have any questions or concerns regarding the adoption of the new hotel policy, please feel free to contact me to discuss them.

I look forward to continuing to work with you to collaboratively address the challenges that face all of us as we promote economic development and job growth in our communities.

Sincerely,



Hon. John J. LaFalce  
Chairman  
ECIDA Board of Directors

## **(IDA) 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 (IDA) will not provide assistance to a new hotel construction project or to a hotel renovation project.

2. The (IDA) 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; or it is a component part of a Neighborhood Enhancement Area Project and which is approved for Agency assistance.