

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 451st Meeting
March 22, 2013 – 8:30 am
Amherst Town Council Chambers, 5583 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
Barry A. Weinstein, MD
Stuart Shapiro
Barbara Nuchereno
Carlton N. Brock, Jr.
James Allen, Executive Director
Nathan Neill, Esq.

GUESTS: AIDA Staff
David Robinson, Buffalo News
Jim Fink, Business First
Dave Tytka, Uniland Development
Terrance Gilbride, Hodgson Russ
Paul B. Iskalo, Iskalo Development
David Chiazza, Iskalo Development
Matt Roland, Iskalo Development
Sean Hopkins, Esq.
Michael Connors, MEL Investors, LLC
Gary Black, TOA
Richard Berger, Esq. – Rep for “Mike’s Pond”
Rick Gillert, TOA
Several residents from Livingston Pkwy area (attached)

Chairman Vilonen reminded everyone that the meeting was being recorded.

MINUTES

The minutes of the February 2013 meeting were approved as presented.

BILLS & COMMUNICATIONS

Executive Director Allen informed the board that the Agency was in receipt of over 300 letters of opposition for the Hyatt Place Hotel project which had been transmitted from the Amherst Town Clerk’s office.

TREASURER’S REPORT

The Treasurer’s Report for February 2013 was approved as presented.

PUBLIC COMMENT

There was no Public Comment at this meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Allen briefly discussed the Senior Housing report that was commissioned by the AIDA and ECIDA and distributed to the board earlier in the month. Mr. Allen said he would like to get together with the board members to discuss the report's findings.

I. Authorization Resolutions

APPLICANT

MEL Investors, LLC
8610 Transit Road
East Amherst, New York 14051
Michael Connors, Director of Development

PROJECT LOCATION

1765-1805 Maple Rd

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.
- Senior Housing Development is eligible for incentives under the Countywide Eligibility Policy
- The project complies with the Town of Amherst Comprehensive Plan as it maintains and grows the tax base through a high quality development leveraging existing infrastructure.

REQUEST

The applicant is requesting authorization for Lease Transaction for the construction and equipping of a 110,000 square feet, 99 unit, 3-story apartment building for senior citizens. The project is located at 1765-1805 Maple Road and is within the Williamsville Central School District. The project value is estimated at \$8,875,000.

The building is designed specifically for senior citizens and is fully handicap accessible and all units are handicap adaptable. It will contain a mixture of one and two bedroom apartments totaling 99 units, which are equipped with a refrigerator, stove, microwave and dishwasher. The building will also feature a community room, laundry facilities, a beauty parlor, lounges, an exercise room, staff offices and an elevator.

The application states that there is a strong need for affordable housing for senior citizens in the Town of Amherst, Erie County and throughout New York State. According to the 2010 census, there are 29,296 people 60 years of age or greater who reside in the Town of Amherst. In the applicant's experience, lack of affordable housing units for senior citizens within the Town may ultimately force elderly persons to seek affordable housing in other Villages, Towns, Counties or States. Their target market is a senior citizen 60 years of age or greater who earns approximately 60-90% of the area median income and have found that this segment of the senior population is largely un-served.

The application states that "Agency participation is necessary or the project will not proceed and is not economically viable. The Town of Amherst and Erie County senior population would lose the benefit of the creation and retention of construction jobs during the construction period and the jobs created upon the completion of construction."

EMPLOYMENT

The project will create 3 full time employment opportunities and 1 part-time after project construction is complete.

PILOT SCHEDULE

The project is eligible for the Agency’s 7 Year PILOT. During the abatement period, the project would pay an estimated \$538,296 in property taxes; \$227,700 to the Town of Amherst, \$68,376 to Erie County and \$242,220 to the Williamsville Central School District.

The vacant land currently generates \$7,850 in annual town, county and school taxes. Over the abatement period this amount would be \$54,950. Should this project proceed, the estimated net revenue gain would be \$483,346 over the period of abatement.

Project Tax Savings

As a result of the Agency’s participation in this transaction, the project applicant would realize an estimated \$294,656 in sales tax savings, \$88,750 in mortgage recording tax savings and \$920,700 in property tax savings (\$144,210 from Town; \$170,940 from County; \$605,550 from School).

The public hearing for the project was held immediately prior to the board meeting and there were no comments from the public were made. The project applicant then requested that his application be tabled prior to the board voting on it.

APPLICANT

Iskalo 5020 Main LLC
5166 Main St
Amherst, NY 14221

PROJECT LOCATION

5000-5010 Main St
42 Livingston Pkwy

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 Countywide Eligibility Policy allows for incentives for hotel development in Town designated Enhancement Areas.
- The intent of designating Enhancement Areas is to promote investment and new tax growth in under developed or utilized sites and buildings.
- Enhancement Areas are designated through the Industrial Commercial & Incentive Board, whose recommendations to include this property along with adding additional eligible uses including hotels, was approved by the Town Board in November 2011.
- The project complies with the Town of Amherst Comprehensive Plan as it maintains and grows the tax base through a high quality development leveraging existing infrastructure. Specifically, Section 3 of the Plan directs the Amherst IDA to pursue opportunities that spur new investment in Amherst’s older neighborhoods and commercial areas to reduce pressures for “greenfield” development on fringe areas not leveraging existing infrastructure.

REQUEST

The applicant is requesting authorization for a Lease Transaction for the construction and equipping of a 137 room, multi-story, limited-service hotel totaling 87,200 square feet. The project is located at 5000-5010 Main Street and 42 Livingston Parkway within the Amherst Central School District. The project value is estimated at \$20,000,000.

This request for AIDA assistance follows the inducement recently received for the planned comprehensive renovation of the historic Lord Amherst Hotel and attached restaurant approved by the Agency in December 2012.

The applicant is requesting AIDA assistance for the Hyatt Place Hotel to help mitigate the impact of the site specific cost premiums associated with this redevelopment project. These costs are estimated at \$1,039,200 and represent extra costs not inherent in constructing on a Greenfield site. Infrastructure, such as noise barriers along the I-290 and site infrastructure, are barriers to redeveloping the property.

These additional costs to the project exceed "per key" revenue projections and are not recoverable from room rates, creating a gap. AIDA assistance offsets these costs and allows the project to service its debt and perform as projected. Identifiable barriers to redevelopment of sites and buildings form the basis for IDA assistance in targeted areas. See Project Narrative attached.

EMPLOYMENT

The project will create 47 FTE positions upon completion. Both entry (hourly) and salary positions will be created ranging from minimum wage to an annual salary of \$65,000, with an estimated annual payroll of \$1,250,000.

PILOT SCHEDULE

The project is eligible for the Agency's 10-year, 485(b) Equivalent Real Property Tax Exemption, which starts at 50% abatement of improves and decrease 5% annually. During the abatement period, the property will generate an estimated \$1,994,528 in property taxes broken down as follows: \$427,655 to the Town of Amherst, \$310,023 to Erie County and \$1,256,650 to the Amherst Central School District.

The vacant land currently generates \$29,712 in Town, County and School taxes. Over the term of the abatement period this would amount to \$297,120. Should the Agency proceed with this transaction, the net revenue gain over the abatement period would be an estimated \$1,697,408.

PROJECT TAX SAVINGS

As a result of the Agency's participation in this transaction, the project applicant will realize an estimated \$656,250 in sales tax savings, \$200,000 in mortgage tax savings and \$588,087 in property tax savings (\$84,122 from Town; \$99,715 from County; \$404,250 School).

David Chiazza of Iskalo Development, Sean Hopkins, Esq. and Terrance Gilbride, Esq. made a detailed presentation of the Hyatt Place Hotel project to the board and those in attendance.

Richard Berger, attorney and representative of several residents requested to make comments about the project.

Chairman Vilonen informed Mr. Berger that the time for public comment had passed and ruled him out of order.

Board member Stuart Shapiro made a motion to allow Mr. Berger to speak. The motion was seconded by Aaron Stanley and unanimously carried.

Mr. Berger spoke at length regarding the residents of Mike's Pond and Livingston Parkway and their opposition to the project and the fact that he felt the project was "out of context with a residential neighborhood".

Chairman Vilonen reminded Mr. Berger that "land use is not an Amherst IDA decision".

The board then held a lengthy discussion regarding the proposed project. The discussion centered on the Comprehensive Master Plan and the project's eligibility under the County-wide Eligibility Policy.

Board member Barry Weinstein noted the project site was a "pristine site" and that he felt the project did not need incentives and would go forward without them.

Board member Aaron Stanley stated that he would vote no for the project and said that resident's voices should be heard and that absent public opposition he would have voted yes.

Board member Stuart Shapiro said that he had deliberated at length about the project and noted that he re-read the Comprehensive Master Plan. He said that Lord Amherst and Hyatt parcel were a gateway to Snyder and the project would improve an underutilized parcel and that his vote would be yes.

Upon a motion by Edward Stachura, seconded by Fredrick Vilonen, a vote of yes by Stuart Shapiro and Carlton Brock and a vote of no by Aaron Stanley, Barry Weinstein and Barbara Nucheren, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE ISKALO 5020 MAIN LLC (THE "LESSEE") TO ACQUIRE AN APPROXIMATELY 3.30 ACRE PARCEL OF LAND LOCATED AT 5000-5010 MAIN STREET, AMHERST, NEW YORK TO CONSTRUCT AN APPROXIMATELY 87,200 SQUARE FOOT MULTI-STORY 137 ROOM LIMITED SERVICE HOTEL THEREON AND TO ACQUIRE AND INSTALL MACHINERY, EQUIPMENT, FURNISHINGS AND FIXTURES REQUIRED IN CONNECTION THEREWITH, ALL FOR A LIMITED SERVICE HOTEL FOR LEASE BY THE LESSEE TO THE AGENCY AND SUBSEQUENT SUBLEASE BY THE AGENCY TO THE LESSEE AND TO TAKE OTHER PRELIMINARY ACTION.

10:23 am – meeting adjourned.

TOWN OF AMHERST INDUSTRIAL
DEVELOPMENT AGENCY
Friday, March 22, 2013
PUBLIC HEARING/BOARD OF DIRECTORS MEETING
AMHERST TOWN HALL
5583 MAIN STREET, NY 14221

NAME

COMPANY/ADDRESS

Michael Condors

MEL Investors LLC 8610 Transit Road
East Amherst, NY
14051

Melanie Conley

Amherst CSD, 55 Kings Hwy.

Jim Gramkow

143 Tuskw Rd

DIANNE MANIA

75 LAKEWOOD PKWY.

DAVE ROY
Karen Butz

35 Lakewood Dr
22 Livingston Pkwy