

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 458th Meeting
January 17, 2014 – 8:30 am
Agency Office, 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
Barry A. Weinstein, MD
Stuart Shapiro
Carlton N. Brock, Jr.
E. Marshall Wood, Jr.
James Allen, Executive Director
Nathan Neill, Esq.

GUESTS: AIDA Staff
David Robinson, Buffalo News
Jim Fink, Business First
Dave Tytka, Uniland Development
William Mattar, Esq.
Scott Bylewski, Esq.
Bob Collines
Grace Jordan
Scott Brown
Andy Reynolds
Ron Somoghi
James L. Mann
Jeremy Horowitz
Tom Grace

Chairman Vilonen reminded everyone that the meeting was being recorded. Mr. Vilonen also welcomed recently appointed board member E. Marshall Wood, Jr.

MINUTES

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

BILLS & COMMUNICATIONS

(For Informational Purposes) – The Agency has completed the billing for 2014 PILOTs. The total amount due is \$4,215,174 for 152 parcels. The breakdown is as follows: Town PILOTs - \$1,469,343; County PILOTs-\$1,625,604; Special District Charges-\$1,120,767

TREASURER’S REPORT

The Treasurer’s Report for November and December 2013 were approved as presented.

PUBLIC COMMENT

There was no public comment at this meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Allen informed the board that he would keep his report brief. Mr. Allen told the board that he and Deputy Director Mingoia continue to work with the IDA Leadership Council on updating and clarifying project eligibility for the county-wide Uniform Tax Exempt Policy. Mr. Allen commented that he was concerned that he felt that the County was more inclined to regulate rather than promote economic development.

COMMITTEE REPORTS

There were no Committee Reports for this meeting.

UNFINISHED BUSINESS

There was no Unfinished Business presented at this meeting.

NEW BUSINESS

BOMPA Development Co, LLC – Company requested Agency consent to refinance the existing mortgage on its property located at 6724 Main Street, Amherst, New York. The Agency closed on this project in May 2007. It involved the construction and equipping of an 8,500 square foot single tenant facility for Stahlka Insurance Agency.

The total amount of the proposed transaction would not exceed \$1,100,000. The balance on the current mortgage is \$1,051,507.

Applicant states that the purpose of this transaction is decreased interest charges on the mortgage.

The project is located within the Williamsville Central School District. The PILOT agreement expires in 2018 and will not be affected by this request.

Community Bank, N.A. will provide the financing for this transaction.

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

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE THE EXECUTION AND DELIVERY OF A MORTGAGE IN THE PRINCIPAL AMOUNT OF \$1,100,000 AND A SECOND AMENDED AND RESTATED LEASE AGREEMENT IN CONNECTION WITH THE REFINANCING OF THE 2005 BOMBA DEVELOPMENT CO, LLC PROJECT, AND FURTHER AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH.

The Uniland Partnership of Delaware, LP – Company is requested Agency consent to refinance the existing mortgage on its property located at 480 CrossPoint Parkway, Getzville, New York. The Agency closed on this project in September 2010. It involved the construction and equipping of a 90,000 square foot single tenant facility for NYS Catholic Health Plan, Inc. d/b/a Fidelis Care New York.

The total amount of the proposed transaction would not exceed \$15,110,000. The balance on the current mortgage is \$12,459,542.

Applicant states that the purpose of this transaction is to take advantage of favorable financing terms available in the current market. The loan proceeds essentially pay off the existing debt and any associated closing costs.

The project is located within the Williamsville Central School District. The PILOT agreement expires in 2022 and will not be affected by this request.

Upon a motion by Carlton Brock, seconded by Barry Weinstein and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE THE EXECUTION AND DELIVERY OF A MORTGAGE WITH CONSOLIDATION, MODIFICATION AND EXTENSION AGREEMENT IN THE PRINCIPAL AMOUNT OF \$15,110,000 AND AN AMENDED AND RESTATED LEASE AGREEMENT IN CONNECTION WITH THE REFINANCING OF THE 2010 480 CROSSPOINT PARKWAY PROJECT, AND FURTHER AUTHORIZE AND APPROVE THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH.

AUTHORIZATION RESOLUTION

Project Applicant

EMP Property, LLC/Williamsville Property, LLC
6720 Main Street
Amherst, New York 14221
Scott A. Bylewski, Esq., Development Director

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 multi-tenant buildings as long as 2/3rd of the project's cost is allocated to eligible uses.
- The first tenant is eligible under NAICS 561422 as an administrative support center.
- 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.

Project Description

EMP Property, LLC/Williamsville Property, LLC are requesting assistance for a Lease Transaction not to exceed \$3,995,000. The project involves the demolition of an existing religious facility and the construction and equipping of a 19,500 square foot multi-tenant, back office facility located at 6710 Main Street within the Williamsville Central School District.

The building at 6720 Main Street is home to William Mattar, P.C., which is owned by William K. Mattar, Esq. William Mattar P.C. will continue to operate as an injury law practice and not receive any tax incentives. The building on the 6710 Main Street parcel, which formerly was owned by the Jehovah's Witnesses, is exempt from real property taxes. Reusing the existing structure was explored by the applicant, but it is outdated and not suitable for commercial use as it consists of a few very small offices, an older mechanical room, an open area used for worship and old, outdated restrooms.

The proposed new building at 6710 Main Street will house a number of back office businesses. These businesses will provide back office support to enable the growth of a statewide law firm and a national practice. Such businesses include a call center to handle incoming calls and open files, document management to ensure all documents are converted to electronic ones, retrieval of documents such as medical records, and lien resolution (e.g., Medicare, Medicaid, ERISA, etc). It is estimated that 50% of sales are generated from outside New York State, 30% are generated outside Erie County but within New York State and 20% are generated within Erie County.

In order to make it financially feasible to retain and expand this growing national law practice in the Town of Amherst, incentives are necessary to offset costs associated principally with developing this former tax-exempt property. The applicant has also explored locations in Detroit for this expansion.

Employment

The project will create 18 full-time and 2 part jobs upon completion with an estimated payroll of \$650,000.

PILOT SCHEDULE

The property was formerly exempt from real property tax and generated \$313 in annual special district taxes, with a land value of \$182,000. Due to the purchase of the property, the estimated value of the land will increase to \$356,000 and will generate \$79,968 in property taxes over the 7-year analysis period. This this will account for \$77,847 in new property taxes that are not subject to abatement as the Amherst IDA does not abate land value.

Based on the information contained within the application, the new building constructed on the site would be eligible for the Agency's 7-year graduated PILOT schedule. During the abatement period, the property would pay an estimated \$203,043 in property taxes broken down as follows: \$78,226 to the Town of Amherst, \$26,895 to Erie County and \$97,921 to the Williamsville Central School District.

Should this project proceed, the estimated net revenue gain would be \$200,852.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant would realize an estimated \$228,375 in sales tax savings, an estimated \$39,950 in mortgage recording tax savings and approximately \$281,259 in property tax savings.

The AIDA board had a very lengthy discussion centering on the eligibility of the project.

Upon a motion by Edward Stachura, seconded by Aaron Stanley, votes of no by Barry Weinstein and Carlton Brock, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZE EMP PROPERTY, LLC TO ACQUIRE AN EXISTING BUILDING LOCATED AT 6710 MAIN STREET, WHICH BUILDING WAS FORMERLY OWNED BY JEHOVAH'S WITNESSES AND IS NOW OWNED BY EMP PROPERTY, LLC, TO DEMOLISH THE EXISTING BUILDING AND TO CONSTRUCT A NEW APPROXIMATELY 19,500 SQUARE FOOT OFFICE BUILDING THEREON AND AUTHORIZING WILLIAM MATTAR P.C. AND ITS AFFILIATES TO ACQUIRE AND INSTALL MACHINERY, EQUIPMENT, FURNISHINGS AND FIXTURES REQUIRED IN CONNECTION THEREWITH, ALL FOR A PROFESSIONAL BACK OFFICE SUPPORT FACILITY, FOR LEASE TO THE AGENCY AND SUBSEQUENT SUBLEASE TO THE LESSEES FOR SUB-SUBLEASE TO MULTIPLE RELATED TENANTS, AND TO TAKE OTHER PRELIMINARY ACTION.

RECOMMENDATIONS FOR SENIOR HOUSING PROJECT GUIDELINES

AIDA staff put together suggested guidelines for Senior Housing projects. The recent AIDA moratorium expired January 1, 2014. The recommendations are as follows:

- Located in an Enhancement or Redevelopment Area
- Complies with the Town of Amherst and/or Village of Williamsville Comprehensive Plan
- Senior Housing is a part of an Adaptive Reuse Project
- Project is located in an area serviced by amenities such as grocery and medical that can be walked to by residents
- Project is accessible to public transportation
- Project is located in an area that could serve residents seeking this housing choice whose income is 60-80% of the County Median income.

The AIDA had a lengthy discussion pertaining to IDA incentives for Senior Housing projects.

Upon a motion by Aaron Stanley, seconded by Stuart Shapiro and a vote of no by Barry Weinstein, it was

RESOLUTION OF THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY SETTING FORTH FACTORS TO BE CONSIDERED IN APPROVING ANY NEW SENIOR HOUSING PROJECTS BY THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

WHEREAS, the Town of Amherst Industrial Development Agency (the "Agency") has participated with the other industrial development agencies in Erie County in developing a common policy which determines which projects are eligible for assistance by the Agency which policy currently provides for Agency assistance in connection with senior housing projects within the Town of Amherst; and

WHEREAS, the Agency together with the Erie County Industrial Development Agency funded a study by the Regional Institute of the University at Buffalo to determine whether in fact there is a need for additional senior housing within Erie County including the Town of Amherst and the study has raised the question as to whether, following the approval by the Agency of a number of senior housing projects within the Town of Amherst, there remains a need for the Agency to continue to provide assistance for the development and construction of new senior housing within the Town of Amherst and as a result of such study, the Agency adopted a moratorium on the approval of new senior housing projects by the Agency which moratorium expired on January 1, 2014; and

WHEREAS, the Agency anticipated that during the moratorium there would be discussions with municipalities, developers, lenders, governmental agencies and other industrial development agencies to determine whether assistance should be provided to senior housing projects and what criteria should be considered in approving senior housing projects and that a new common policy would be developed among the IDAs of Erie County; and

WHEREAS, the Agency has sought additional information from developers and other parties on senior housing during the moratorium and believes that it must establish some criteria to be used in reviewing applications for senior housing projects pending the adoption of a new uniform policy and has identified the following criteria to be considered:

- Located in an Enhancement or Redevelopment Area
- Complies with the Town of Amherst and/or Village of Williamsville Comprehensive Plan
- Senior Housing is a part of an Adaptive Reuse Project
- Project is located in an area serviced by amenities such as grocery and medical that can be walked to by residents
- Project is accessible to public transportation
- Project is located in an area that could serve residents seeking this housing choice whose income is 60-80% of the County Median income.

NOW, THEREFORE, BE IT RESOLVED BY THE AGENCY AS FOLLOWS:

1. The Agency does hereby determine that in considering any new applications for senior housing projects within the Town of Amherst, until such time as a new uniform policy shall be adopted with respect to senior housing projects, that the Agency will utilize the criteria set forth above and such other relevant criteria that may be provided by the applicant in considering whether or not to provide assistance to a new senior housing project.
2. The Agency shall continue to solicit input from municipalities, government agencies including senior service providers, operators of existing senior housing projects, developers, other IDAs and the public as to both the need for new senior housing within the Town of Amherst, whether Agency assistance should continue to be provided and, if assistance is to be provided to senior housing projects, work towards establishing a common policy amount the IDAs for providing such assistance.
3. This resolution shall be effective immediately.

9:43 am – meeting adjourned.