

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 485th Meeting
October 21, 2016 – 8:30 am
Agency Offices, 4287 Main Street

The meeting of the above captioned Agency was called to order by Chairman Carlton Brock.

PRESENT: Carlton N. Brock, Jr.
Michele F. Marconi
Aaron Stanley
E. Marshal Wood, Jr.
Steven Sanders
Edward F. Stachura
Michael R. Szukala
David S. Mingoia, Interim Executive Director
Kevin J. Zanner, Hurwitz & Fine PC
Diane K. Church, Hurwitz & Fine PC

GUESTS: AIDA Staff
Jonathan Epstein, Buffalo News
Jim Fink, Business First
David Chiazza, Iskalo Development Company
Brian Kulpa, Mayor, Village of Williamsville
Craig Turner

Chairman Brock called the meeting to order and reminded everyone that the meeting was being audio recorded.

Michele Marconi made a motion for the board to go into Closed Session to seek the advice of legal counsel. Marshall Wood seconded the motion.

Votes of aye were made by Brock, Marconi, Stanley, Wood, Stachura, Sanders and Szukala.

The press in attendance questioned the board's ability to do this without stating what the subject matter was.

Agency counsel, Keven Zanner explained the difference between Executive Session pursuant to the Open Meetings Law and the board going into Closed Session to obtain legal advice.

Further discussion ensued. Jonathan Epstein of the Buffalo News called the legal counsel for the News to ascertain if this action was permissible. After a brief discussion with the News' legal counsel, it was determined that Closed Session was permissible. The press exited the room at 8:42 am.

8:53 am – Closed Session ended and meeting resumed.

MINUTES

The minutes of September 23rd meeting were approved as presented

BILLS & COMMUNICATIONS

The board was provided with information on newly adopted legislation regarding the Mortgage Recording Tax Exemption. The legislation prohibits IDAs from exempting the portion of the MRT that otherwise would go to a transit authority.

TREASURER'S REPORT

The September 2016 Treasurer's Report was approved as presented. Treasurer Stanley noted that there would be several more project closings by year's-end.

EXECUTIVE DIRECTOR REPORT

Interim Executive Director David Mingoia presented the Executive Director's Report providing updates on Amherst Comprehensive Plan and Zoning Project, Update of Amherst Economic Study/Comp Plan Update, Ineligible Project Inquiries and an update on the RFP for Analysis and Study of Adaptive Reuse Program and Policy that ECIDA is undertaking.

COMMITTEE REPORTS

Finance & Audit Committee – At the October Finance meeting, the committee recommended the 2017 Budget Proposal for board consideration.

Michele Marconi stated that budgeting a deficit did not make sense to her. She also inquired as to why consultants Masiello, Martucci & Calabrese were put back into the budget. She also noted that she was struggling with the addition of BNE to the to the budget due to the deficit.

Treasurer Aaron Stanley reminded the board that the Agency maintains a very solid fund balance and can handle the projected deficit. He also noted that the Finance/Audit Committee felt that the presentations made by the BNE and consultants Masiello, Martucci & Calabrese were very good and that the Committee felt they both were of benefit to the Agency.

Steven Sanders noted that the Agency had a strong fund balance and that the 2017 Budget Proposal is a responsible one. He also stated that eliminating the BNE from the budget would be short-sighted. He said that the Agency should support the effort that benefits the region.

The board agreed to leave both the consultants and the BNE in the budget. It was decided that the Masiello, Martucci & Calabrese contract continue to be terminated for the remainder of 2016. It was also agreed that the discussion of the renewal of the contract in 2017 would be sent to the Governance Committee for evaluation.

Steven Sanders made a motion that the board accept the 2017 Budget Proposal and Recommendations and forward to the Amherst Town Board for review and comment, as required by the NYS Authorities Budget Office. Edward Stachura seconded the motion.

Votes of aye were made by Brock, Stanley, Marshall Wood, Stachura, Sanders and Szukala. A vote of no was made by Marconi. The motion passed 6-1.

UNFINISHED BUSINESS

There was no Unfinished Business presented at this meeting.

NEW BUSINESS

I. Authorization Resolution – Iskalo Office Holdings IV, LLC – 52 S. Union - Refinancing

The company requested Agency consent to refinance the existing mortgage on its property located at 52 South Union Road, Amherst, New York. The original 2007 project involved acquisition, renovation and equipping of an existing 20,000 square foot commercial facility.

The outstanding balance on the existing mortgage is \$3,938,369. The total amount of the proposed refinancing transaction would not exceed \$4,500,000.

The applicant states that the purpose of this transaction is to refinance the existing debt with additional proceeds being used for building and tenant improvements. Applicant is not seeking sales tax exemptions on these improvements.

The project would be eligible for mortgage recording tax exemption of ¾% of the difference between the outstanding balance and the refinanced amount (not to exceed \$4.5M), which is estimated at \$4,213.

The PILOT agreement will not be affected by this transaction. Property begins to pay full taxes in 2018.

M & T Bank will continue to provide the financing for this transaction.

A motion to approve the refinancing request for Iskalo Office Holding IV, LLC was made by Aaron Stanley. Edward Stachura seconded the motion.

Votes of aye were made by Brock, Marconi, Stanley, Wood, Stachura, Sanders and Szukala. The motion to approve passed 7-0.

II. Update on Village of Williamsville Strategic Plan

Mayor Brian Kulpa of the Village of Williamsville and consultant Craig Turner provided an update of the Village of Williamsville Strategic Plan and Re-branding effort that the Agency has provided funding for.

9:23 am – Meeting adjourned.

October 3, 2016

To IDA Executive Directors:

Legislation that will prohibit IDAs from exempting the portion of the MRT that otherwise would go to a transit authority, has been signed by the Governor, but will not take effect until 7/1/2017. Without a chapter amendment that has been agreed to by the Governor and legislature, the law would have taken effect immediately. NYSEDC tried to convince the Governor to veto the legislation, but short of that, an extended effective date is the next best outcome we could have hoped for. The extended effective date will allow projects to be completed without the effect of the legislation.

[Here](#) is the legislation.

Below is the Governor's approval message:

APPROVAL MEMORANDUM - No. 6 Chapter 394

MEMORANDUM filed with Senate Bill Number 7442, entitled:

"AN ACT to amend the general municipal law, the public authorities law, and the the tax law, in relation to certain recording taxes"

APPROVED

This bill would prohibit Industrial Development Agencies (IDAs) from exempting the additional mortgage recording tax imposed on properties located within the Metropolitan Commuter Transportation District, the Niagara Frontier Transportation District, the Rochester-Genesee Transportation District, the Capital District Transportation District, and the Central New York Regional Transportation District. Revenues from the additional mortgage recording tax are used to support various transit services. Prohibiting IDAs from exempting the tax will ensure that the transportation districts continue to have the resources necessary to provide these critical services.

As drafted, however, the legislation's immediate effective date may interfere with the completion of several pending projects and necessitate changes to contractual arrangements. To address this concern, the Legislature has agreed to a chapter amendment that would change the effective date of the legislation to July 1, 2017. On this basis, I am signing this bill.

This bill is approved.

(signed) ANDREW M. CUOMO

Brian McMahon
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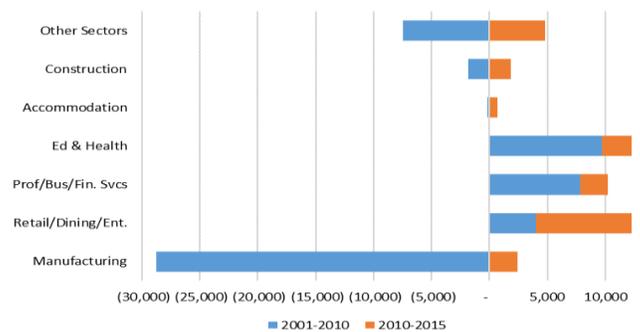
TOWN OF AMHERST ECONOMIC STUDY

Summary of Findings: September 2016

THE REGIONAL ECONOMIC PICTURE

- 23,000 jobs added from 2010-2015; growth led by “Eds and Meds,” Professional Services, Retail/Hospitality.
- Region is still trying to overcome losses in Manufacturing sector prior to 2010, though.
- Economic activity and investment priorities are focused in and around downtown Buffalo.
- UB is a major driver of the regional economy, but more can be done to harness its potential for economic growth

REGIONAL JOB CHANGE, 2001-2015



AMHERST'S STRENGTHS AND WEAKNESSES

Strengths

Still the most desirable suburban office/retail location
 Presence of UB North and South Campuses
 Excellent quality of place assets
 Strong demand for many different types of housing
 Critical mass of amenities in Main Street corridor

Weaknesses

Few remaining sites for large scale development
 Large supply of underutilized existing space
 Perception that the Town is anti-development
 Suburban land use patterns are out of favor
 Strained local transportation network

NATIONAL TRENDS IN SUBURBAN REDEVELOPMENT

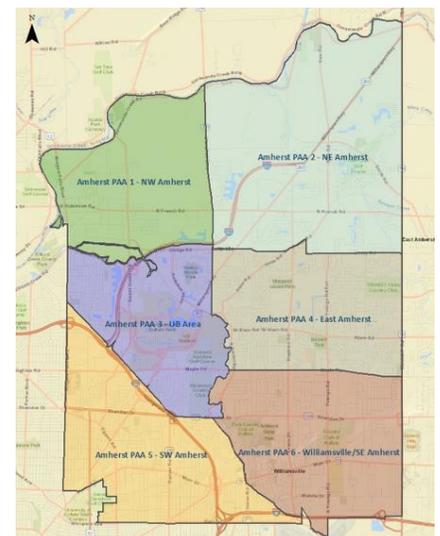
- The suburban business park model is out of favor and being abandoned all over the U.S.
- Successfully remaking suburban commercial areas requires a unified vision by public and/or private sector sponsors.
- Public spaces and placemaking are essential ingredients for making vibrant urban-style places in suburban areas.
- Public transit helps, but is not necessary for redevelopment. Placemaking is far more important.
- Due to the timeframe and scale of projects, public-private partnerships are almost always needed.

FORECASTED GROWTH IN AMHERST, 2015-2040

Use Type	Employment Change	Change in Comm. SF	Future Land Need (Acres)
Scenario 1: Baseline	9,027	4,220,900	65.4
Scenario 2: More Development Around UB North Campus	9,027	4,097,500	68.0
Scenario 3: Better Overall Performance	16,499	5,927,600	93.1

Growth Outlook by Planning Analysis Area (PAA)

- *PAA 1 (NW Amherst)* – Need for redevelopment of older industrial properties into other use types; modest demand for office uses.
- *PAA 2 (NE Amherst)* – New development at CrossPoint Business Park will be offset by job losses elsewhere in the area.
- *PAA 3 (UB Area)* – Need to redevelop older office buildings in Audubon Park; focus should be on mixed-use development around edges of UB campus.
- *PAA 4 (East Amherst)* – Modest demand for retail space in the future, but no additional demand for office or industrial uses.
- *PAA 5 (SW Amherst)* – Strong demand for office and retail uses, but will need to occur on redevelopment sites due to lack of development land.
- *PAA 6 (Williamsville/SE Amherst)* – Strong demand for warehousing/wholesale uses along Wehrle Drive, as well as for retail and office uses on redevelopment sites, mainly in Main Street corridor.



Executive Director’s Report
October 21, 2016

1. **Amherst Comprehensive Plan and Zoning Project** – Code Studios conducted charrettes and presented a weeklong recap the week of September 25th. Several recordings of meetings that week can be found on www.imagineamherst.com. There is a Working Committee meeting on October 26th, 7PM at Village Hall to review progress by Code Studios and discuss next steps.
2. **Update of Amherst Economic Study/Comp Plan Update** - Delta Associates provided a preview of preliminary findings during the week of charrettes (separately attached). Amherst continues to be the suburban location of choice in the region, but national trends are impacting the Town’s ability to attract new tenants for its office buildings. Preliminary data shows that the Town should plan for and expect 9,000-16,499 new jobs by 2040 depending on the community’s success at redeveloping older office and industrial space and expanding placemaking initiatives.
3. **Ineligible Project Inquiries** - Overall conversations with companies interested in learning about incentives and exploring new investments is steady while the number of ineligible firms seeking incentives has decreased. We did not receive specific inquiries this past month, but did meet with two firms (ceramic materials, technology services) that were already well into their projects to assist.

Summary of Ineligible Projects (YTD):

<u>Type of Project</u>	<u>Number of Inquiries</u>
Accounting Firm	1
Hotel	1
Mixed Use	2
Residential	2
Restaurant	4
Retail	2
Student Housing	1

4. **RFP for Analysis and Study of Adaptive Reuse Program and Policy** – Interviews were held with two consultant firms (Make Communities and Redevelopment Resources) for an analysis of ECIDA’s Adaptive Reuse Program and Policy, and benchmarking current conditions in Erie County. This analysis will provide economic data for existing projects induced under the Adaptive Reuse Program, which will lead to discussion on the future policy and direction of the program. The AIDA is part of the steering committee, which includes members of Erie County Planning, City of Buffalo Planning, and the Buffalo Niagara Partnership. The study should be complete the first quarter of 2017.

2017 BUDGET NOTES

REVENUES:

Administrative Fees (1%)	\$550,000
Estimate based on current prospects for 2017 along with projects being carried over from 2016.	
Management Fee	\$75,000
Fees derived from Amherst Development Corporation transactions anticipated for 2017.	
Application Fees	\$ 4,000
Estimate based on current prospects for 2017 for Agency and Corporation.	
Interest Income (NR)	\$ 1,200
Estimate based on current interest rates and Agency reserves.	
Other Revenue	\$ 1,500
Estimate based on anticipated requests for Cost Benefit Analysis preparation for IDAs in Erie County that do not have staff.	

EXPENSES:

Administration:

Payroll	\$242,000
Decrease from 2016 Budget of \$409,000 and actual estimated expenditure of \$395,000. 2017 amount also indicates the reduction of staff from 4 to 3. No increase is budgeted for staff salaries, but does account for increase of Deputy Director Salary to Executive Director Position. 2016 salaries are as follows: Interim Executive Director (Deputy Director) \$104,002.43; Director of Admin Svcs \$74,695.02, Admin Asst/Bookkeeper \$41,231.88.	

OPERATION EXPENSES:

Office Expense	\$ 10,000
Same as 2016.	
Postage	\$ 750
Same as 2016.	
Travel Expense	\$ 1,500
Decrease from \$5,800 in 2016 due to elimination of car allowance for former Executive Director.	

Telephone	\$ 7,000
Decrease from \$8,500 in 2016.	
Fees & Dues	\$ 4,000
Decrease from \$9,000 in 2016.	
Subscriptions and Publications	\$ 1,500
Decrease from \$2,500 in 2016.	
Legal fees – General Counsel	\$20,000
Increase from \$1,000 in 2016 due to hiring of new legal counsel.	
Legal Fee – Litigation Counsel	\$50,000
Increase from -0- in 2016 due to ongoing litigation issues.	
Building Mortgage and Interest	\$29,500
Decrease from \$31,500 in 2016.	
Building Utilities	\$ 8,000
Decrease from \$9,000 in 2016.	
Building Property Tax	\$ 8,500
Same as 2016.	
Building Inside Maintenance	\$ 9,000
Same amount as 2016.	
Building Outside Maintenance	\$11,000
Same amount as 2016.	
Meetings	\$ 3,000
Decrease from \$5,500 in 2016.	
Equipment	\$ 6,000
Same amount as 2016. Anticipated equipment purchases include possible upgrade to several desktop computers and improvements to A/V in large conference room.	
Equipment Rental-copier	\$ 4,000
Same amount as 2016.	
Professional Services	\$32,500
Same amount as 2016. Amount will cover, IT services (which includes new BOD email accounts and iPad services), website services, auditing services, Coalition for Community Building and relaunch of Agency website.	

Insurance \$25,000
Same amount as 2016.

Depreciation \$25,000
Same amount as 2016.

SPECIAL PROJECTS

Marketing \$5,000
Decrease from \$7,500 in 2016.

BNE Participation \$20,000
Increase from -\$0- in 2016.

Education \$2,500
Same amount as 2016.

Special Events \$4,000
Decrease from \$5,000 in 2016. Expenditures include sponsorship opportunities which in the past have included: Amherst Chamber of Commerce, Buffalo Niagara Builders, Business First Power Breakfast.

Regional Partnerships \$5,000
Decrease from \$10,000 in 2016.

Local Re-development Initiatives \$20,000
Same amount as 2016. Past expenditures have included consultant fees speaker's fees, marketing fees.

Capital Improvements \$15,000
Same amount as 2016.

2017 Proposed Budget

DRAFT

	2016	2016 Amended	2017
	Budget	Budget (Estimate)	Proposed
REVENUES:			
Administrative Fees (Agency 1%)	670,000	603,000	550,000
Management Fee (ADC fees)	125,000	1,000	75,000
Application Fees	4,000	2,000	4,000
Interest Income (NR)	1,200	1,200	1,200
Other Revenue	0	1,500	1,500
subtotal	800,200	608,700	631,700
EXPENSES			
ADMINISTRATION:			
Payroll	409,000	395,000	242,000
Employer FICA Expense	29,000	29,000	17,000
Pension Fund	31,000	31,000	19,000
Health Insurance	61,000	61,000	42,000
subtotal	530,000	516,000	320,000
OPERATION:			
Office Expense	10,000	10,000	10,000
Postage	750	750	750
Travel	5,800	5,800	1,500
Telephone	8,500	7,000	7,000
Fees & Dues	9,000	6,000	4,000
Subscriptions/Publications	2,500	1,500	1,500
Legal Fees-General Counsel	1,000	25,000	20,000
Legal Fees - Litigation	0	100,000	50,000
Bldg Interest	31,500	31,500	29,500
Bldg Utilities	9,000	7,500	8,000
Bldg Property Tax	8,500	8,500	8,500
Bldg Inside Maint	9,000	9,000	9,000
Bldg Outside Maint	11,000	11,000	11,000
Meetings	5,500	3,000	3,000
Equipment	6,000	6,000	6,000
Equipment Rental	4,000	3,500	4,000
Professional Services	32,500	32,500	32,500
Insurance	25,000	25,000	25,000
Depreciation	25,000	25,000	25,000
subtotal	204,550	318,550	256,250
SPECIAL PROJECTS:			
Marketing	7,500	7,500	5,000
BNE	0	-	20,000
Education	2,500	2,500	2,500
Special Events	5,000	3,000	4,000
Regional Partnerships	10,000	7,500	5,000
Local Redevelopment Initiatives	20,000	15,000	20,000
Capital Improvements	15,000	8,000	15,000
subtotal	60,000	43,500	71,500
Total Expenses (non-restricted)	794,550	878,050	647,750
Excess Revenue over/(under)			
	5,650	-269,350	-16,050

RESOLUTION OF THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF A MORTGAGE AND OTHER DOCUMENTS IN CONNECTION WITH THE REFINANCING OF THE 2007 ISKALO OFFICE HOLDINGS IV LLC – 52 SOUTH UNION ROAD PROJECT

WHEREAS, the Town of Amherst Industrial Development Agency (the "Agency"), is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Section 914-a of the General Municipal Law, as amended (collectively, the "Act"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, to accomplish the purposes of the Act, the Agency, by Inducement Resolution adopted on May 25, 2007 ("Resolution") authorized Iskalo Office Holdings IV LLC (the "Lessee") to commence the acquisition of a parcel of land with an existing approximately 20,000 square foot commercial building and a residence and garage located at 52 South Union Road, in the Village of Williamsville, Town of Amherst, New York (the "Premises"), the demolition of the residence and garage, the renovation of the existing commercial building and the acquisition and installation of machinery and equipment, for lease by the Agency to the Lessee for sublease to other tenants, all for the provision of a multi-tenant office facility (the "Project"); and

WHEREAS, pursuant to the Resolution and to allow the Lessee to undertake the Project, the Agency and Lessee entered into a Lease Agreement dated as June 1, 2007 with respect to the Premises (the "Lease Agreement"); and

WHEREAS, the Lessee obtained a loan through M&T Bank in an aggregate amount of \$4,300,000.00 to finance the Project (the "Existing Financing") and, pursuant to the Resolution, the Agency and Lessee granted mortgages on the Premises in an aggregate amount of \$4,300,000.00 to secure such financing (the "Existing Mortgages"); and

WHEREAS, the Existing Financing has matured and the Lessee intends to refinance such financing with M&T Bank and to borrow an additional amount equal to the difference between the outstanding principal balance secured by the Existing Mortgages and the new total loan amount of \$4,500,000.00 (with such difference being referred to as the "New Financing") which will be consolidated with the outstanding principal balance secured by the Existing Mortgages to constitute a consolidated loan and mortgage lien in an amount not to exceed \$4,500,000.00; and

WHEREAS, the Lessee has requested that the Agency execute a mortgage on the Premises to secure the New Financing and provide an exemption from mortgage recording tax in connection with such New Financing.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

1. The execution and delivery by the Agency of a mortgage to secure the New Financing and such other documents as may be reasonably necessary to effectuate the transactions described in this resolution, each in the form presented to and approved by Agency counsel, and the provision of a partial exemption from mortgage recording tax (to the extent permitted by law) for the New Financing in connection therewith, are hereby authorized.

2. The Chairman, Vice Chairman, Treasurer, Secretary, any Assistant Treasurer or Assistant Secretary and the CEO/CFO of the Agency are each individually authorized to execute and deliver such documents and to take such other actions as may be necessary to effectuate the transactions contemplated by this resolution.

3. This resolution shall take effect immediately.

ADOPTED: October 21, 2016