

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

Minutes of the 401st Meeting

August 17, 2007 – 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
Robert L. Miller
Barbara J. Batchen
John P. DeLuca
Randall L. Clark
Ayesha Nariman
James J. Allen, Executive Director
Nathan S. Neill, Esq.

EXCUSED: Robert Ciesielski

GUESTS: AIDA Staff
Richard Schroen, Buffalo Niagara Marriott
Frank Belliotti
Jim Cullinan
David Tytko, Uniland Development
Jonathan Epstein, Buffalo News
Deborah Bruch Bucki

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

MINUTES

The minutes of the July 2007 meeting were approved as presented.

BILLS & COMMUNICATIONS

There were no bills and communications at this meeting.

TREASURER'S REPORT

The Treasurer's Report for July 2007 was approved as presented.

PUBLIC COMMENT

There was no public comment at this meeting.

EXECUTIVE DIRECTORS REPORT

Executive Director Allen informed the board that the Supervisor's resolution for a moratorium on the construction for new office space was withdrawn at Monday's Town Board meeting. Mr. Allen discussed his written testimony regarding the proposed resolution with the Agency's board.

Mr. Allen notified the board that he was asked to participate in an Open Space Acquisition Rally relating to Councilmember Kindel's resolution, this coming Monday evening. Mr. Allen told the board that he was on vacation that week and would be unable to attend.

Executive Director Allen reported that he had attended UB's 2020 Physical Space presentation earlier in the week. He noted that as part of their 2020 Plan, the University intended on constructing an addition 1.5 million square feet of new space.

COMMITTEE REPORTS

There were no Committee Reports at this meeting.

UNFINISHED BUSINESS

There was no Unfinished Business at this meeting.

NEW BUSINESS

9. NEW BUSINESS

I. AUTHORIZATION RESOLUTIONS

Project Applicant

Enhanced Tool, Inc.
90 Pineview Drive
Amherst, NY 14228
Michael Emmert, President

Request

Applicant is requesting Agency authorization for a lease transaction in the amount of \$200,000. Project is for the construction of a 2,025 square foot addition to their existing 6,014 square foot manufacturing facility located within the Sweet Home Central School District. The NAICS for this company is 3327, thus making it eligible for Agency assistance under the county-wide eligibility policy.

Company is a precision machine shop serving the aerospace, satellite, defense, commercial aircraft, and automotive industries. The Agency participated in the construction of the original facility in 1998.

Applicant states that Agency participation in the project is necessary because the tax abatements will allow them to direct more funds toward the expansion and equipment purchases.

Employment

Project is expected to retain 21 jobs and create an additional 3 upon completion.

PILOT Schedule

The project qualifies for the Agency's 15-year payment in lieu of tax schedule for the

addition only. Should the Agency consent to this request, the estimated revenue to be derived over the abatement period would be \$40,409, representing \$13,139 to the Town of Amherst; \$5,519 to Erie County; and \$23,313 to the Williamsville Central School District.

The vacant land currently generates \$104 in annual town, county and school taxes. Over the abatement period this would be \$1,561. The estimated net revenue gain over the abatement period would be \$38,848.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant will realize an estimated \$2,000 mortgage recording tax savings, an estimated \$6,545 in sales tax savings and \$50,651 in property tax savings.

Recommendation

Approval

Upon a motion by Robert Miller, seconded by Barbara Batchen and unanimously carried, it was

RESOLUTION OF THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING ENHANCED TOOL, INC. (THE "LESSEE") TO CONSTRUCT AN APPROXIMATELY 2,025 SQUARE FOOT ADDITION TO AN EXISTING APPROXIMATELY 6,014 SQUARE FOOT BUILDING LOCATED AT 90 PINEVIEW DRIVE, AMHERST, NEW YORK AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, ALL FOR A SINGLE-TENANT OFFICE AND MANUFACTURING FACILITY FOR SALE TO THE AGENCY AND SUBSEQUENT LEASE TO THE LESSEE AND TO TAKE OTHER PRELIMINARY ACTION.

Project Applicant

Towne Centre Development
501 John James Audubon Parkway
Amherst, New York 14228
Dennis M. Penman, Member

Request

Company is requesting authorization for a \$1,000,000 Installment Sale Transaction for the renovation of an existing 70,000 square foot multi-tenant facility located at 501 John James Audubon Parkway, within the Audubon Office Park. The building was constructed in 1981.

Applicant states that the project would provide needed renovations to an out of date building. Project is providing existing businesses in the Town of Amherst the opportunity to expand and locate within the Town's already established commercial areas. Principal tenant in the facility is Goodyear Dunlop.

Applicant also states that Agency participation in this project is necessary because the sales tax savings will allow them to further enhance the quality of the building improvements for the benefit of their tenants.

Employment

Project will retain 100 jobs.

PILOT Schedule

The Agency continues to hold title to this project because of an outstanding bond issue. The abatement has expired and property pays the full equivalent of taxes. No additional property tax abatement is being requested for this project.

Exemptions

Applicant would realize approximately \$48,125 in sales tax exemption for this project.

Recommendation

Approval

Upon a motion by Robert Miller, seconded by Randall Clark and unanimously carried, it was

RESOLUTION OF THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT WITH TOWN CENTRE DEVELOPMENT COMPANY, LLC AND OTHER INSTRUMENTS AND MATTERS IN CONNECTION THEREWITH

PROJECT APPLICANT

PNY II, LLC (Marriott Hotel)
1340 Millersport Hwy
Amherst, NY 14226
Richard Schroen, General Manager

REQUEST

Company is requesting Agency consent to an Installment Sale transaction in an amount not to exceed \$20,000,000. Project is located 1340 Millersport Highway in Amherst New York within the Sweet Home Central School District. Project entails the renovation and equipping of an existing full service hotel totaling 228,681 square feet. The project is eligible under the county-wide eligibility policy which states:

IDA assistance to hotels and motels will be restricted to capital costs associated with the renovation or rehabilitation of existing hotel/motel properties within Erie County. As such, hotel/motel projects are eligible for mortgage tax exemption (if applicable) and sales tax exemption on capital costs only. If renovation results in an increased assessment, project applicant will be eligible for abatement in accordance with Section 485-b of the New York State Real Property Law.

The project qualifies under New York State Law as a “tourism destination” which is defined as, “a location or facility which is likely to attract a significant number of visitors from outside the economic development region.”

The application states: *“The subject hotel is the oldest in its direct competitive set, but it is the only quality tier full service hotel with substantial meeting space in the competitive set and in the Amherst area. Due to past, current and future changes in the competitive set’s product quality, the hotel is at risk of losing its competitive positioning unless the property is significantly improved. The Hilton Garden Inn Buffalo Airport and Homewood Suites are fairly new properties (opened in 2005). There are plans for a new Courtyard near the airport and a new Hampton Inn near the subject property. The other full service hotels in the area, Hyatt Regency Downtown and Adam’s Mark Downtown, will undergo major renovations in the next 1 to 2 years.”*

The application also states: *“Buffalo Marriott has been a fixture in the Amherst community for over 26 years, providing business, leisure and group customers an experience that assists them in accomplishing their purpose for traveling to the area. This travel also provides the region with out of town spending and taxes on that spending. As the largest, full service hotel in Amherst, we also have become an important facility for use by residents and local businesses for meetings, conferences, and many social and charitable events.*

The Marriott’s core business (51%) is the individual corporate traveler, who is doing business with customers throughout Western New York. However, year over year, Amherst based businesses provide the Marriott with the majority of their business travel. Companies such as CitiGroup, Sodexo, Ingram Micro, Bank of America, Ivoclar, NCO, The University at Buffalo and Fidelis Care are in the hotel’s top ten contributors annually.

Leisure travel accounts for 29% of the Marriott’s business, a segment that continues to be the primary focus of marketing by the Buffalo Niagara Convention and Visitors Bureau. These guests visit the area as tourists, visiting family and friends, and based on national averages, spend an average of \$125.00 per day.

Guests associated with a group make up the remaining 20% of the Marriott’s business mix. These groups are often associated with the University at Buffalo or other Amherst based businesses or are here to participate in amateur sports at the Pepsi Center or UB.”

The applicant states that Agency participation is necessary to assist in reducing the overall cost of the renovation project; thereby reducing the average cost per room which will mitigate the need to significantly increase room rates. By maintaining a competitive room rate and providing a renovated product at the Marriott standard the occupancy at the hotel will be maintained at the current level of 73%.

EMPLOYMENT

Project will retain 222 jobs and create an estimated 11.

PILOT

There is no PILOT being requested for this transaction. Company pays full taxes annually. Annual property taxes are approximately \$686,700.

Exemptions

The sales tax savings for this project are estimated at \$1,277,500.

Recommendation

Approval

Upon a motion by Randall Clark, seconded by Barbara Batchen and unanimously carried, it was

RESOLUTION OF THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT WITH PNY II, LLC AND OTHER INSTRUMENTS AND MATTERS IN CONNECTION THEREWITH

II. The Uniland Partnership of Delaware, LP (540 CrossPoint Parkway)

Company is requesting Agency consent to transfer the Agency Lease from The Uniland Partnership of Delaware, LP to Uniland Development I., LLC, a newly formed New York limited liability company managed and controlled by Carl J. Montante and/or the Montante family. The managing member of Uniland Development I, LLC is Uninvest I Corporation, which is also General Partner of The Uniland Partnership of Delaware, LP.

The PILOT agreement for the project will remain the same.

Upon a motion by John DeLuca, seconded by Randall Clark and unanimously carried, it was

RESOLVED, THAT THE TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY CONSENT TO TRANSFER THE AGENCY ELASE FOR 540 CROSSPOINT PARKWAY PROJECT FROM UNILAND PARTNERSHIP OF DELAWARE, LP TO UNILAND DEVELOPMENT I, LLC AND OTHER INSTRUMENTS AND MATTERS IN CONNECTION THEREWITH.

9:17 am – meeting adjourned.