

AGENDA SUMMARY
March 16, 2007

3. BILLS & COMMUNICATIONS

(For Board Action)- The Agency is being requested to execute a tax certificate in conjunction with proposed 2010 Refinancing of UBF Faculty Student Housing Corporation South Lake Village Bonds.

In anticipation of refinancing its 2000 South Lake Village bonds, the University at Buffalo Foundation affiliate, UBF Faculty-Student Housing Corporation, is about to enter into an interest rate hedge agreement which contemplates the issuance of variable rate, tax exempt refunding bonds on or about August 1, 2010. The purpose of this agreement is to lock in beneficial interest rates now with respect to the anticipated refunding bonds. Under applicable Internal Revenue Service guidelines, the IDA, as anticipated bond issuer for the refunding bonds, needs to deliver a certificate, signed by the Chairman, identifying certain factual information with respect to those anticipated refunding bonds. The form of this certificate has been reviewed and approved by bond counsel.

8. UNFINISHED BUSINESS

I. AMENDMENT TO AGENCY BY-LAWS

A draft of amended Agency by-laws was distributed at the January meeting and sent to the Amherst Town Board for comment. The amendments are necessary in order to comply with provisions within the recently enacted Public Authorities Accountability Act. The Act now includes Industrial Development Agencies. To date there have been no comments received from the Amherst Town Board. A draft of the amended by-laws is attached.

Recommendation: approval

II. AMENDMENT TO AUTHORIZATION RESOLUTIONS

The Uniland Partnership of Delaware, LP (300 Corporate Parkway) – Company is requesting Agency consent to amend the authorization resolution adopted in December 2006. The original resolution authorized the company to consolidate and refinance the 1996 bond transaction and the subsequent 2002 2nd Mortgage transaction for their 300 Corporate Parkway project into a single mortgage transaction. The original project amounts were \$12,900,000 and \$800,000, respectively. The refinance amount remains at \$11,000,000.

The applicant states that due to the passage of time and resulting payment of additional principal payments on the existing mortgage, the prior resolution adopted on December 15, 2006 be amended to increase the new money portion of Mortgage from \$550,000 to \$750,000.

John Hancock Financial Services is providing the financing for this project.

The PILOT is not affected by this transaction.

Recommendation: approval

The Uniland Partnership of Delaware, LP (150 CrossPoint Parkway) – Company is requesting Agency consent to amend the authorization resolution adopted in December 2006. The original resolution authorized the company refinance the 2001 mortgage transaction for their property located at 150 CrossPoint Parkway currently housing NCO Financial Group. The original project amount was \$8,600,000. The refinance amount is \$8,550,000.

The applicant states that due to the passage of time and resulting payment of additional principal payments on the existing mortgage, the prior resolution adopted on December 15, 2006 be amended to increase the new money portion of Mortgage from \$920,000 to \$1,080,000.

AEGON USA Realty Advisors, Inc. is providing the financing for this project.

The PILOT is not affected by this transaction.

Recommendation: approval

9. NEW BUSINESS

I. AUTHORIZATION RESOLUTION

APPLICANT

Exigence - Niagara Falls Boulevard-Urgent Care Center
2099 Niagara Falls Blvd
Amherst, NY 14228
Irv Levy, CFO

REQUEST

Company is requesting Agency consent to a Lease Transaction in the amount of \$2,175,000. Project involves the construction of a 6,000 urgent care facility located at 2099 Niagara Falls Blvd. The NAICS for this facility is 621493, thus making it ineligible for assistance under the countywide eligibility policy. However, the policy does make some exceptions for assistance:

“Facilities that provide medical services that are generally not available, provided that an appropriate market analysis confirming such unavailability is provided, would be eligible for financial assistance.”

The application states that Exigence is based in Amherst and is a rapidly growing urgent care provider with locations throughout the United States. Exigence currently operates a facility on Transit Road in Amherst.

The company believes there is merit to assisting this type of project based on the changing way healthcare services are provided, especially due to the Berger Commission Report that recently became law on January 1, 2007.

Applicant states that the report lists DeGraff and St. Joseph Hospitals as slated for closure. The company believes that the positioning of their Urgent Care Center will serve an immediate need for the growing communities of West Amherst as well as the future need of covering the patients displaced through the closing of DeGraff and to a lesser degree the shifting of patient volume due to the closing of St. Joseph. The applicant anticipates that many of the St. Joseph's patients will travel to Millard Suburban further congesting an already very busy emergency department.

The Applicant also notes that the report also discusses the need for Hybrid delivery models, and specifically speaks to the design of Exigence's center. The urgent care center would be capable of treating approximately 75% of the cases currently treated in an emergency room and overall provides a better experience for the patient with shorter wait times and a more cost effective setting for the payer, either insurance company, government program or the individual patient. The average patient is in the emergency department for nearly three hours. Applicant believes they can be treated and discharged from our urgent care center within the hour.

The application states that the company's center on Transit Road is the only nationally accredited urgent care center in Western New York. The New York State Department of Health is in the process of reviewing their certificate of need application. Upon approval, the Catholic Health System will be a joint venture partner in both urgent care centers, which is unique to the area.

EMPLOYMENT

Project would create 20 full time and 12 part time employment opportunities.

PILOT SCHEDULE

Project would be eligible for the equivalent of the 485-b property tax exemption. During the abatement period, project will pay an estimated \$337,407 in lieu of property taxes; \$99,738 to the Town of Amherst, \$45,421 to Erie County and \$192,249 to the Sweet Home Central School District.

The vacant land currently generates approximately \$5,970 in annual taxes. Over the abatement period this amount would be \$59,700. Should this project proceed, the estimated net revenue gain over the abatement period would be \$277,707.

Project Tax Savings

As a result of the Agency's participation in this transaction, the project applicant will

realize an estimated \$87,500 in sales tax savings, \$87,614 in property tax savings and \$21,750 in mortgage tax savings.

Recommendation

Approval

II. INSTALLMENT SALE TRANSACTIONS

Project Applicant

Stenclik Building, LLC
250 International Drive
Amherst, NY 14221
Richard R. Stenclik, Sole member

Request

Company is requesting Agency consent for a \$1,050,000 Installment Sale Transaction for the equipping of an existing 24,000 square foot office facility located at 250 International Drive. The NAICS for this company is 561330, thus qualifying it under the county-wide eligibility policy.

Superior Technical Resources provides administrative services, temporary staffing services and managed business services. Eighty – five percent of the company’s gross revenue is derived from outside New York State. They serve a global market. The markets served include the United States, Canada, the UK, South America, Asia and India.

This would be the third project this company has done with the Agency. In 1985, the Agency approved the construction of the original 20,000 square foot facility. Employment at that time was 9. The Agency closed on a 4,000 square foot expansion and renovation project in August 2006.

Applicant states that this project involved the acquisition of additional equipment not contemplated at the time of application for the 2006 project. Applicant states that Agency participation is necessary in order to enable the applicant to complete the 2006 project.

Employment

Project will retain 129 jobs in Amherst.

PILOT Schedule

No PILOT is being requested on the project.

Exemptions

Applicant would realize approximately \$91,875 in sales tax exemption.

Recommendation: approval

Project Applicant

Meritain Health, Inc.
300 Corporate Pkwy
Amherst, NY 14226
Vince DiMura, Senior VP-Controller

Request

Company is requesting Agency consent for a \$1,100,000 Installment Sale Transaction for equipment and technology purchases for the expansion and stabilization of their data center infrastructure. The NAICS for this company is 5241, thus qualifying it under the county-wide eligibility policy.

Meritain Health, Inc. is a third party health care administrator with 90% of its gross revenues derived from outside New York State. The 300 Corporate Parkway location is the company's national headquarters.

Applicant states that their company has recently engaged in a number of significant acquisitions of companies in their industry, all of which are located outside of New York State and in lower tax jurisdictions.

The project will assist in keeping the company headquarters in Amherst. Applicant states that this project will enable growth by stabilizing the infrastructure and increasing capacity. The project will allow them to migrate technology systems to the Amherst headquarters from the recently acquired locations outside New York State instead of centralizing them at an out of state location.

Employment

Project will retain 467 jobs in Amherst along with an estimated \$20 million annual payroll.

PILOT Schedule

No PILOT is being requested on the project.

Exemptions

Applicant would realize approximately \$96,250 in sales tax exemption.

Recommendation: approval

III. REFINANCING TRANSACTION

Bryant Woods Partners, LLC/Softrek– Company is requesting Agency consent to consolidate and refinance the 2002 mortgage transaction and the subsequent Second Mortgage transaction for their 30 Bryant Woods North project into a single mortgage transaction. The original project amounts were 2,365,000 and \$145,000, respectively. The consolidated mortgage amount is \$3,200,000.

The purpose of the transaction is reimbursement of equity invested in additional tenant improvements and infrastructure to meet customer requirements for security, capacity, and expanded sales. The original five year mortgage term expires May 2007.

First Niagara will provide the financing for this transaction.

The PILOT will not be affected by this transaction.

Recommendation: approval

15 Limestone Drive Associates, LLC – Company is requesting Agency consent to refinance its 2003, \$1,800,000 mortgage transaction. The original project involved the construction of a 12,000 square foot single tenant facility for Somerset Laboratories.

The amount of the refinancing is \$1,775,000. The purpose of the transaction will increase the loan term and reduce the interest rate and personal guaranty period.

Citizens Bank will provide the financing for this transaction.

The PILOT will not be affected by this transaction.

Recommendation: approval

AirSep Corporation (1996 260 Creekside Drive Project) – Company is requesting Agency consent to refinance its 1996 \$4,950,000 bond issue. The original project involved the acquisition and renovation of an existing facility, along with the construction of an addition for AirSep Corporation.

The amount of the refinancing is \$2,197,983. The purpose of the transaction is a more favorable interest rate and the balloon payment was coming due.

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

Company is also requesting Agency consent to amend their PILOT agreement to reflect their single tenant status. When the Agency authorized this project in 1995, the project was determined eligible to receive the Agency's 15 PILOT agreement. In 2002 the company notified the Agency that it has sublet space in the facility to a small company (Kanoodle.com).. At that time the Agency approved the tenancy and amended the PILOT agreement to the 10 year program.

Kanoodle has since vacated the facility for larger space. AirSep Corporation has taken over the space and is the sole tenant in the facility. They have indicated that they will be the sole tenant going forward.

They are requesting that the Agency allow them to pick up the remaining five years on the original agreement.

Recommendation: approval

AirSep Corporation (1998 401 Creekside Drive Project) – Company is requesting Agency consent to refinance its 1998 \$5,000,000 bond issue. The original project involved the acquisition and renovation of an existing facility, along with the construction of an addition for AirSep Corporation.

The amount of the refinancing is \$2,750,000. The purpose of the transaction is a more favorable interest rate and the balloon payment was coming due.

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

The PILOT will not be affected by this transaction.

Recommendation: approval

Iskalo Development Corporation – Company is requesting Agency consent to refinance and combine the following projects into one new mortgage:

30 North Union
36 North Union
5454 Main Street

There are two additional parcels involved in the transaction that the Agency does not hold title to. They are 4600 and 4610 Main Street.

The total amount of the transaction is \$7,000,000, of which approximately \$1,550,000 is new money related to the properties to which the Agency currently holds title.

Proceeds from this transaction will be used towards tenant improvements, prepayment premiums on current loans/bonds and reimbursement of equity.

The PILOT agreements will not be affected by this transaction.

Nationwide will provide the financing for this transaction.

Recommendation: approval

IV. SECOND MORTGAGE TRANSACTION

Brompton Heights, Inc. – Company is requesting Agency consent for a \$1,450,000 second mortgage transaction. The Agency closed on the original mortgage of \$13,000,000 in September 2005. Project was for the renovation and equipping of an assisted living facility located at 275 Brompton Rd.

The proceeds of this transaction will be utilized for additional construction costs associated with the renovation along with additional tenant finishes.

First Niagara Bank will provide the financing for this transaction.

Recommendation: approval