

**TOWN OF CLARENCE, ERIE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

MINUTES

May 17, 2012

Mr. Hartzell called the meeting to order at 8:00 a.m.

Roll call was taken and present were Elaine Wolfe, Michael Buettner, Clayt Ertel and Chairman Hartzell. Mr. Kempton arrived at about 8:02 a.m. Mary Powell arrived at 8:10 and Mr. Schuster at approximately 8:20 a.m. Also present were Paul Leone, Nathan Neill, Larry Meckler, Steven Bengart, Pamela Smith, and Cynthia Rosel. Guests were Matt Glynn of the Buffalo News, Kim Johnson and James Rash.

Minutes of April 19, 2012.

Mr. Hartzell asked if everyone had a chance to review the minutes from the April meeting. There was a motion by Elaine Wolfe with a second by Clayt Ertel to approve the minutes of the April 19, 2012 meeting. There was nothing on the question.

Vote: Ayes: Wolfe, Buettner, Ertel, Hartzell. Noes: None
Absent: Schuster, Kempton, Powell. Recuse: None. Motion carried.

Treasurer's Report.

Mr. Hartzell began to present the Treasurer's Report as of May 17, 2012. He went over the balance sheet. Mr. Kempton arrived and continued with the report by going over the Income Statement. There is a negative net income of \$7,607.98. There may be some projects coming up that will generate income. Mr. Hartzell pointed out that the expense for the special meeting held on May 10, 2012, was under \$300 for 20 people. There was a motion by Michael Buettner with a second by Elaine Wolf to accept the Treasurer's Report through May 17, 2012. There was nothing on the question.

Vote: Ayes: Wolfe, Buettner, Kempton, Ertel, Hartzell. Noes: None
Absent: Schuster, Powell. Recuse: None. Motion carried.

Correspondence.

None to report.

Public Hearing:

A public hearing was held at 8:05 a.m. on the 8175 Sheridan Drive Rockledge Professional Park Project. Mr. Leone conducted the public hearing. Steve Kieffer, the owner and managing Partner of Rockledge Professional Park, LLC was present. They are requesting Agency assistance in the

form of a lease only or lease with mortgage transaction in an amount not to exceed \$2,100,000 that will include mortgage tax abatement, sales tax exemption on any materials and/or equipment purchased for incorporation into the Project and real property tax abatement in accordance with existing Agency Uniform Tax Exemption Policy and Guidelines, as amended. Rockledge Professional Park, LLC requests assistance to acquire an approximately 4+/- acre parcel of land located at 8175 Sheridan Drive in the Town of Clarence Sheridan Drive Enhancement Area and to construct three multi-tenant office buildings totaling approximately 21,000 square feet thereon, which buildings are to be constructed in phases with the first approximately 5,100 square foot multi-tenant office building to be constructed immediately, which buildings are to be leased by the Lessee to the Agency for sublease by the Agency to the Lessee for sub-sublease to other tenants, all for the provision of office/incubator space. The Project is necessary to allow the tenants to expand their workforce in New York State. The buildings will be occupied by tenants to be determined. Mr. Leone added that an Impact Analysis has been done and the members have it in their packet. Mr. Bengart added that the impact analysis shows that the benefit to the applicant is \$196,191 and the benefit to the community is \$3,688,785. Mr. Ertel added that it would add 15 full-time and three part time jobs. The jobs would be tenancy created.

Mr. Leone asked to close the public hearing. Public hearing was closed.

New Business.

Mr. Leone and Mr. Hartzell met with New Buffalo Shirt. They are considering making major equipment purchases. The training people have already been there. Mr. Hartzell added that they asked where most of their employees come from. About 70% come from outside the Clarence area. These projects benefit the entire WNY area not just the Clarence area. It is not just people jumping from one job to another.

Mr. Leone and Chairman Hartzell had a meeting with Eastern Air Products regarding an expansion. The company is trying to find property in the area. Clayt Ertel will have to recuse himself from this project.

Mr. Leone and Chairman Hartzell have a meeting scheduled for tomorrow with David Huck regarding Wehrle Senior Apartments consisting of approximately 100 units at an estimated cost of \$11,000,000. Mr. Hartzell reminded the Board that Mr. Huck had a project on Transit Road for an office park with the CIDA.

Mr. Leone met with Scott Roetzer regarding a proposed project at 10120 County Road. There is no application yet and this project would be similar to the Rockledge Project.

He also spoke with Kittinger Gallery located on Transit Road.

8175 Sheridan Drive Rockledge Professional Park Project.

Mr. Leone wanted to know if anyone had any questions regarding the Rockledge Professional Park Project. The applicant explained that they first came to the CIDA in 2008 to request assistance. They did not go forward in 2009 due to the state of the economy. There are a couple

of issues that are being worked out with the Planning Department. There were no further questions. Mr. Buettner asked if Mr. Leone would go over the Economic Impact Analysis. Mr. Kempton asked what the taxes are now. He added that by approving projects, more revenue is coming in to the Town through taxes. The taxes on this property are now \$1,500 and will go up significantly. There was a motion by Chris Kempton to approve the project with a second by Elaine Wolfe. There was nothing further on the question.

Vote: Ayes: Wolfe, Buettner, Kempton, Powell, Ertel, Hartzell. Noes: None
Absent: Schuster. Recuse: None. Motion carried.

10882 Main Street – Laura Wade Project

Mr. Neill has an amended resolution regarding the Laura Wade Project regarding an increase in the mortgage. They needed to borrow more as the project cost more than expected. Mr. Hartzell said that this is a great project as this was an abandoned building and now going to be a state of the art unique veterinary project catering to exotic birds. There was motion by Clayt Ertel with second by Chris Kempton. There was nothing further on the question.

Vote: Ayes: Wolfe, Buettner, Kempton, Powell, Ertel, Hartzell. Noes: None
Absent: Schuster. Recuse: None. Motion carried.

Paula’s Donuts Project

Mr. Leone also had an Economic Impact Analysis prepared on this project per the Board’s request. The analysis shows that the benefit to the applicant is \$8,000 and the benefit to the community is \$707,686 that includes the 12 F/T and 14 P/T positions, sales tax, property tax and positive effect on the community. The business has been swamped a since it has opened. Mr. Meckler said the numbers are better than they appear. The benefits to the community are going to be annually. Mr. Ertel said that the sales tax will be recouped in a few months. Mr. Leone added this is not just retail, it qualifies as a manufacturing business as they are making product.

Mr. Buettner said that the CIDA does not approve every project. Proposed projects are screened by Mr. Leone and as pointed out by Mr. Kempton, not brought to the table unless they meet the CIDA criteria. Ms. Powell added that she thinks it’s important to have a section on the analysis report that would explain what was considered by the CIDA to approve a project...what the decisions are based on. Mr. Meckler suggested that it could be the “eligibility criteria;” all the facts that made it a project eligible. That would answer “why” a project was approved. Mr. Ertel agreed that it would show the justification of the project. Mr. Leone said that he would go back to Mr. Mingoia and ask if that information could be put in there. Mr. Bengart added that we could put that information on the website. Mr. Hartzell suggested that we put the last page of the impact analysis on the webpage and added that we can put an explanation on the website with the IMPLAN. Mr. Leone concluded that these projects benefit all of WNY not just the Clarence community.

Mr. Ertel read a portion of an article from Business First by Jim Fink. He also re-read the excerpt from the New York State Economic Development Council Memo of October 11, 2011,

from Brian McMahon, referencing the IDA Statute GM Article 18-At hat addresses the purpose of an IDA that is "...to promote, develop, encourage and assist in maintaining and attracting certain types of facilities (including but not limited to industrial, warehousing and commercial facilities) and thereby advance the job opportunities, health, general prosperity and economy welfare of the people of the state."

Mr. Neill spoke about a prior restriction imposed by legislation but those have lapsed. Mr. Meckler also added that what goes overlooked is that the benefits are community wide, county wide and not just parochial to Clarence. That somehow gets lost in the shuffle. The benefits to the area; sales tax benefits and new property taxes are annual.

Strategic Plan.

Mr. Hartzell thanked everyone for attending the special meeting to talk about the Strategic Plan. One of the things that came up was the EDO position. Mr. Hartzell wanted to go forward with the discussion on how to proceed with hiring a part time EDO. Ms. Powell added that it was decided to put together a proposal on how this was going to transpire. There was discussion that included that the EDO will be an independent contractor paid through the CIDA. The contract will spell out what would be provided by the EDO. There was discussion on the term of the contract and some of the language that would be included in the agreement. Mr. Ertel and Chairman Hartzell will work on the job description and proposal and have for the June meeting.

Mr. Leone has not received the application from Joe David for the project in the Hollow. He did speak to Mr. David and should have it for the June meeting.

There was a friendly motion to adjourn the meeting by Chairman Hartzell at 9:01 a.m.

Respectfully submitted,

Cynthia M. Rosel