

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

**MINUTES**

**July 19, 2012**

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

Roll call was taken and present were Elaine Wolfe, David Schuster, Michael Buettner, Clayt Ertel and Chairman Hartzell. Mary Powell arrived at 8:05 a.m. Mr. Kempton was absent as he was out of Town. Also present were Paul Leone, Nathan Neill, Larry Meckler, Steven Bengart, Pamela Smith and Cynthia Rosel. Guests were Richard Dorr and Brandon Houck, Project Manager from Niagara Produce, Matt Glynn of the Buffalo News, Kim Johnson and James Rush.

Public Hearings:

**10681 Main Street Project.**

8:01 a.m. - A public hearing was held on the proposed 10681 Main Street Project to consider the request for Agency assistance of a lease only or lease with mortgage transaction in an amount not to exceed \$1,000,000. The applicant is Niagara Assets Management LLC. Joseph David, a partner and the Chief Operating Officer was at the June meeting. The Agency assistance will include a 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. Niagara Assets Management, LLC would be acquiring the parcels of land located at 10681 and 10687 Main Street in the Town of Clarence containing two existing buildings that they would renovate. The applicant also plans on constructing two additions to the building at 10681 Main Street. They would also be purchasing and installing machinery, equipment, furnishings and fixtures required in connection therewith for lease to the Agency and subsequent sublease to the Lessee for sub-lease to other tenants, all for mixed use office and retail uses. The Project will be subleased to the Lessee which will sublease the Facility to other tenants.

Mr. Buettner asked about equipment being installed and who the tenants were going to be. Mr. Leone said that they do not know yet. Mr. Leone added that this is an adaptive reuse project and the tenants will be. Ms. Wolfe added that the buildings have been vacant for some time. This project is just what the Hollow would need. Mr. Schuster added that the applicant was in at the last meeting and did say that he does have tenants lined up but nothing definite. Tenants would be looked at by the CIDA for approval. A Regional Impact Analysis was done on the project. The analysis shows that the benefit to the applicant would be \$21,197 and the community benefit would be \$182,350. Ms. Wolfe asked what they are paying in taxes. The taxes are approximately \$3,200 and \$3,000. Mr. Meckler said that that would continue to get paid. The abatement will only go on the addition. Mr. Hartzell moved to close the public hearing with a second by Elaine Wolfe.

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

## **8555 Transit Road.**

8:10 a.m. – A public hearing was held on the proposed 8555 Transit Road Project to consider a request for Agency assistance in the form of a lease only or lease with mortgage transaction in an amount not to exceed \$6,000,000. Agency assistance will include a mortgage tax abatement, sales tax exemption on any materials and/or equipment purchased for incorporation into Project and real property tax abatement in accordance with existing Agency Uniform Tax Exemption Policy and Guidelines, as amended. The applicants, Jody Chesko and Richard Dorr, (the "Lessee") and Niagara County Produce, Inc. (the "Sublessee") are requesting assistance in connection with the demolition of an existing produce market and greenhouse and the construction of a 37,641+/- square foot produce market, a 36,450+/- square foot greenhouse and a 12, 600+/- square foot warehouse/storage building on parcels of land located at 8555-8595 Transit Road in the Town of Clarence. The applicant will also be purchasing and installing machinery, equipment, furnishings and fixtures required in connection by the Sublessee with the Lessee to lease the real property and buildings to the Agency and subsequent sublease to the Lessee for sub-sublease by the Lessee to the Sublessee and with the Sublessee to acquire and install the machinery and equipment as agent for the Agency for lease by the Agency to the Sublessee or sale by the Agency to the Sublessee pursuant to an installment sale agreement, all for retail and wholesale and produce and flower sales market.. The Project will allow the Sublessee to expand their operations in the Town of Clarence. The Project will be subleased to the Lessee which will sublease the Facility to the Sublessee which will be the occupant of the Project.

Richard Dorr, owner and Brandon Houck Project Manager and Manager of Niagara County Produce were present to explain the project and answer any questions. Taxes are around \$34,000 per year for Town, County and School. There was a Regional Impact Analysis done on this project. Mr. Leone passed out a copy of a rendering of the project. The store would remain open during construction. There would be a total of 67 jobs of which 16 would be new jobs (6 full time and 10 part time.) Ms. Powell had some questions regarding the demolition and the assessment. Mr. Leone explained that the assessment will remain at \$1.2 M. The new structure is going up before the old structure will be demolished. Operations will continue. Mr. Leone asked if there were any other questions. There was a motion by David Hartzell with a second by David Schuster to close the public hearing.

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

## **Minutes of June 21, 2012**

Mr. Hartzell asked if everyone reviewed the minutes of the June 21, 2012. There was a motion by Clayt Ertel with a second by Elaine Wolfe to approve the minutes of the June 21, 2012 meeting. There was nothing on the question.

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

## **Treasurer's Report.**

Pamela Smith gave the Treasurer's report through July 19, 2012 going over the Balance Sheet and the Profit and Loss Statement. Interest earned was \$1,302.21. There is a negative net income of \$9,409. We have expended 20.09% of the budget to date. The accounts have been moved from HSBC to First Niagara. There was a motion by David Schuster with a second by David Hartzell to accept the Treasurer's Report through July 19, 2012 as presented. There was nothing on the question.

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

## **Correspondence.**

There was one letter from Barbara Condrell who would like to apply for the EDO position. Mr. Hartzell said they would discuss at the next meeting.

Mr. Hartzell added that he finished the ad for the EDO. He e-mailed it to everyone. Elaine Wolfe had a comment and Mr. Hartzell will e-mail the corrected ad and if everyone is alright with it, he will run in the Bee. Mary Powell asked if the description is on the web yet. It is not. Mr. Hartzell had some changes and will-mail those out as well. Mr. Buettner commented that we have an application already without running the ad. Mr. Hartzell said there have been around a half dozen inquires from persons interested in the position.

Mr. Hartzell called and spoke to the owner of Scharf's Restaurant. They are closing the business in Buffalo. They are looking to relocate and already have an offer but would like to speak with CIDA if that falls through. Mr. Hartzell said that this would be a great addition to the Hollow. It would fit right in. Mr. Hartzell is waiting to hear back from the owner.

Mr. Hartzell was also on the Joel Giambra program, "Face to Face," yesterday. Mr. Hartzell's topics were adaptive reuse projects and the importance of Town's that have their own IDA's to retain them. He added that in theory, one IDA would be ideal but the ECIDA does not have the time to service all the Town's. The biggest complaints come from Tonawanda and Cheektowaga who do not have an IDA and are serviced by the ECIDA. The best system that we have right now is the current IDA system. No one cares more about what goes on in the Town of Clarence than the volunteers who are sitting in this room. He thanked everyone for their time and effort they put in on behalf of the CIDA.

## **New Business:**

10681 Main Street Project Inducement.

Mr. Leone was asking for the approval of the 10681 Main Street Project that was discussed at the public hearing held earlier in the meeting. Mr. Ertel recused himself and left the meeting. The project amount is not to exceed \$1,000,000. The project would include the renovation of two existing buildings and constructing two additions to the building at 10681 Main Street. They would also be purchasing and installing machinery, equipment, furnishings and fixtures required. The pilot would be the equivalent of the 485-b. Assistance will include a mortgage tax

abatement, sales tax exemption on any materials and/or equipment purchased for incorporation into Project. The Impact Analysis study is in the packet. Mr. Leone asked if there were any questions. Mr. Hartzell commented that he thinks that this is great project for the Town and a great way to start to bring the Hollow back. He commended the applicant for stepping up and bringing this project to the CIDA. Ms. Wolfe agreed. Mr. Hartzell made a motion the CIDA approve the inducement resolution for the 10681 Main Street Project as written. There was a second by May Powell. On the question Mr. Bengart added that he assumes that you want to include all the information from the Hearing as well as the IMPLAN that was provided. Mr. Hartzell said yes and thanked Mr. Bengart. Mr. Neill pointed out that this project does not need a SEQR because this is a Type II action. Mr. Hartzell asked if there was anything else. Mr. Buettner asked, "the applicant benefit is only \$21,000, if I am reading this correctly?" Mr. Hartzell answered that is not his total profitability...it is just an estimate. There was nothing further on the question.

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

Mr. Ertel returned to the meeting.

#### 8555 Transit Road Inducement.

Mr. Leone asked for approval of the 8555 Transit Road Project. The project amount is not exceed \$6,000,000. Assistance will include a mortgage tax abatement, sales tax exemption on any materials and/or equipment purchased for incorporation into Project. The project will include the demolition of an existing produce market and greenhouse and the construction of a 37,641+/- square foot produce market, a 36,450+/- square foot greenhouse and a 12, 600+/- square foot warehouse/storage building on parcels of land located at 8555-8595 Transit Road in the Town of Clarence. They will also be purchasing and installing machinery, equipment, furnishings and fixtures required in connection by the Sublessee with the Lessee to lease the real property and buildings. The pilot would be the equivalent of the 485-b. The project is in and Enhancement Zone. The applicants are present to answer any questions. Ms. Wolfe looks at the project as a magnet business that will attract more business to that end of Transit Road. This is a very successful business over the years and that we would want to keep them going.

Mr. Neill said that there are two separate resolutions for this project because it is a Type I action. The Town has already done the SEQR process and issued a Neg Dec back in May of 2012. Our resolution is basically to accept the Town's determination. Mr. Hartzell moved to accept the SEQR resolution as written, with a second by David Schuster. There was nothing on the question.

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

Mr. Neill said that next step is the inducement resolution for approval of the project. Mr. Ertel moved to approve the inducement resolution as written with a second by Michael Buettner. On the question Mr. Mr. Bengart added that he assumes that you want to include all the information from the Public Hearing as well as the IMPLAN. Mr. Hartzell said that was correct. He added that this is an exciting project for the Town of Clarence. Transit Road is filled in as far north as

Roll Road continuing to fill in the northern section. This project is really the first one that starts at the top Clarence and start to work its way down. He would love to see that section of Clarence fill in over the next 10years. It is a great chance to provide additional revenue to the Town and it is great for the Clarence tax payers as it drops their tax rates the more commercial property we can fill in on that section of Transit Road.

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

The applicants thanked the Board members for their approval. Mr. Hartzell thanked them for coming in, congratulated them and wished them good luck and much success.

### **Old Business:**

Strategic Plan: Ms. Powell had nothing to report.

Mr. Hartzell recently called the Public Authorities Budget Office (PABO) and got through to the Chairman. Mr. Hartzell asked him about the CIDA Donation Policy. The PABO Chairman proceeded to say that all of the CIDA money should go directly to generating jobs and new business. It has to have an economic impact on the State of New York. He did say, however, there is no objection if there is money given to the Chamber, as long as it is deliverable. Mr. Meckler added that the PABO did the audit last year and as part of the audit they detailed about 20 areas throughout the state where they felt a donation would not be appropriate and cited the CIDA for that one contribution to the Clarence Chamber. Mr. Ertel added that he thinks that contradicts what the statute provides in GML Article 18-A that he has read from at various meetings from the NYSEDC report. It refers to promoting and fostering business development, as part of the statute. Mr. Neill said he thinks the solution would be to have a contract with whoever we give donations to. Ms. Powell asked if would include marketing the CIDA as the Chamber has done for the presentation we gave recently. Mr. Meckler said that would be too general. It would have to show where the money goes. Mr. Hartzell said it would have to be measurable...like renting space for the EDO office. The discussion continued along those same lines. Mr. Buettner added that he agrees with Mr. Ertel that the Chambers function is to promote business. It was decided that the name of the policy would be changed and the policy be revised. Mr. Bengart asked if there was a chance to get a guideline from the PABO. Mr. Hartzell said he could do that. Mr. Merkel suggested that the PABO could be contacted before we would give a grant...to run it by PABO first.

Ms. Wolfe asked how long applications were going to be accepted for the EDO position. Mr. Hartzell said about a month if everyone agreed on that. Mary Powell asked if the job description was on posted on the website. It will be as soon as it is revised. Mr. Hartzell will e-mail to the members before it is posted. Applications will go to Cindi Rosel and they will be reviewed at the next meeting.

Mr. Leone asked for approval of the request for a 6 month extension for the 10995 Main Street Picone Construction Project as they are still under construction. Mr. Hartzell moved to grant a 6-month extension for the 10995 Main Street Project with a second by Clayt Ertel. There was nothing on the question.

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

Mr. Leone also had an Energy Efficient Form that he would like to have put on the website. It would be available for all types of business whether they own or lease.

Mr. Hartzell spoke about the possibility of Harper Electric come to the Town of Clarence. They were talking about leaving the area. It would be a 90,000 sq. foot building. They are looking at other locations. If it that does not work out, Mr. Hartzell asked them to speak to Paul and he before they would think about a move out of the area.

Mr. Hartzell also spoke to Paula from Paula's donuts at the Grand Opening. She is losing her lease at the other location and is very glad she came to Clarence. They are up to 35 employees now. Paula's did more business volume since opening in Clarence than she did in Kenmore in the last 6 months.

Mary Powell wanted to know who was going make the changes to the donation policy. Mr. Hartzell said he would work on it with Larry and Steve before the next meeting. On second thought, he thinks that they should cancel the policy at this time and made a motion to rescind the policy. There was a second by Clayt Ertel. There was nothing on the question.

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

Mr. Neill had a motion to designate the depositories for the CIDA. We have not done this in some time and need to add First Niagara. Mr. Hartzell moved to appoint Manufacturers and Traders Trust Co., First Niagara Bank, Key Bank/Clarence Office, Bank of America/Transit Road Branch, Bank of Akron/Clarence Center and Main Street Branches, Citizens Bank, JP Morgan Chase Bank, Northwest Savings Bank, Lake Shore Savings and Evans Bank as depositories for the Town of Clarence, Erie County Industrial Development Agency. There was a second by Clayt Ertel. There was nothing on the question.

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

There was a friendly motion to adjourn the meeting by Chairman Hartzell at 9:47 a.m. Mr. Hartzell thanked everyone for volunteering and for all the time they spend on the CIDA.

Next Meeting is August 16, 2012.

Respectfully submitted,

Cynthia M. Rosel