

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

**MINUTES**  
August 19, 2010

Present:       David C. Hartzell                               Paul Leone  
                  Mary Powell                                 Steven Bengart  
                  Clayt Ertel                                    Pam Smith  
                  Scott Bylewski                               Cynthia M. Rosel  
                  David Schuster

Absent:        Michael Buettner  
                  Christopher Kempton  
                  Nathan Neill

Guests:       Adam Mikols, Seal and Design  
                  Joseph Voelkl, Voelkl LLC  
                  John Roba, JR Products  
                  Jeffery Palumbo, Esq.  
                  Anthony Nanula, 5505 Transit LLC  
                  Jeffrey Lepides, 5505 Transit LLC

**Public Hearings:**

Members present were Chairman David Hartzell, Clayt Ertel, Scott Bylewski and David Schuster as well as Steven Bengart, Assistant Secretary/Counsel, Paul Leone, Pam Smith and Cindi Rosel. Mary Powell had not arrived at the time of the Public Hearings for 6035 Transit Road and 4015 Casilio Parkway Projects.

**6035 Transit Road Project/Voelkl LLC:**

A public hearing was held for the 6035 Transit Road Project. The applicant is Voelkl LLC represented by Joseph Voelkl at the public hearing. The project entails the acquisition of a 9+/- acre parcel to construct a 6,500 square foot commercial building. The applicant is requesting mortgage tax abatement, sales tax exemption to acquire and install machinery and equipment required for the project and property tax abatement. The building will be subleased to Buffalo Pharmacies Inc., a small pharmacy focusing on home healthcare, durable medical equipment, infusion injection and compounding therapies. The Project is located in the Transit Road Enhancement Area of the Town of Clarence and is intended to redevelop a portion of Transit Road. The project will provide a pharmacy more focused on home healthcare and help make the services more accessible to the residents of the Town of Clarence. The project amount is not to exceed \$2,500,000. The applicant added that they have 6 employees, would add 4-6 new jobs within the next year and 8 more jobs in two years. Mr. Leone added that the application was amended to reflect that. Mr. Bylewski asked the applicant what would happen to the project if

they did not receive CIDA assistance. Mr. Voelkl said that the CIDA benefits are absolutely necessary for the project to go forward. Without the Boards' approval for the financing, they would have to continue to rent in the Town of Amherst. Mr. Leone thanked Mr. Voelkl for coming in and that he would contact him later to let him know if the project was approved. Mr. Hartzell also thanked Mr. Voelkl for coming in and bringing his business to the Town of Clarence.

#### **4015 Casilio Parkway-Seal and Design Project:**

A public hearing was held for the 4015 Casilio Parkway Project. The applicant, Penman Enterprises LLC, was represented by Adam Mikols. The applicant is requesting Agency assistance in an amount not to exceed \$755,000 for the construction of an 11,000 square foot warehouse/production addition to the Applicant's existing manufacturing facility located at 4015 Casilio Parkway, Clarence, New York. The facility is owned by the Agency and leased to the Applicant for sublease to Seal & Design, Inc., a manufacturer and distributor of gaskets, seals and o-rings used in the aerospace, automotive, industrial pumps, electrical and medical industries. The expansion is necessary to allow Seal and Design to maintain and expand its work force in New York State. Seal and Design, the Sublessee, will be the sole occupant of the Project. Agency assistance 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. Mr. Leone mentioned that the CIDA has done other projects with the company. Mr. Bylewski asked Mr. Mikols what would happen to the project if the financing was not approved. Mr. Mikols answered that the project could not go forward and would be delayed for some time. This expansion is necessary to meet the increase in business. They would be adding a significant number of jobs, especially in the next year. Mr. Hartzell thanked Mr. Mikols for expanding in the Town of Clarence, especially in the manufacturing area. Mr. Leone will notify Mr. Mikols to let him know the Board's decision on the project.

#### **9680 County Road – John Roba Project:**

A public hearing was held on the 9680 County Road Project. John Roba, the owner of JR Products, was present. Mr. Leone introduced Mr. Roba and had him explain the new project. The project would include the construction of a 5,000-7,000 +/- square foot addition to the existing 10,500 square foot building on approximately 3+/- acres of land located at 9680 County Road. The project would include the renovation of the existing building and they need to purchase and install machinery and equipment. J & R Products is a manufacturer and supplier of replacement parts for recreational vehicles. The business is growing rapidly and needs to expand. Most of the business they do is outside of the County. They started with 10 employees nine years ago and now have 33 employees. They expect to add a minimum of 10 additional jobs. Mr. Bylewski asked what would happen to the project without the CIDA benefits. Mr. Roba said that they would not be able to go forward here and may look to move the business out of state. Mr. Bylewski added that it is his understanding that the proposed expansion has not been submitted for the expansion to the Town as of this date. Mr. Roba answered that that was correct. There was nothing further. Mr. Leone thanked Mr. Roba for coming in.

After the public hearings, Mr. Hartzell asked for a roll call. Present were David Schuster, Scott Bylewski, Mary Powell, who arrived just after the 4015 Casilio Parkway-Seal and Design public hearing, Clayt Ertel and David Hartzell. Also present were Steven Bengart, Assistant Secretary/Counsel, Paul Leone, Pam Smith and Cindi Rosel. Absent were Michael Buettner, Chris Kempton and Nathan Neill.

**Minutes: July 15, 2010**

Mr. Hartzell asked if everyone reviewed the minutes from the July meeting. Scott Bylewski moved to approve the minutes of July 15, 2010. There was a second by Clayt Ertel. There was nothing on the question.

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

**Treasurer's Report:**

In Mr. Kempton's absence, Mr. Hartzell passed out the Report to the members. Mr. Kempton met with Pam Smith and Mr. Bengart spoke to him last evening. Ms. Smith went over the Balance Sheet, Profit and Loss Statement and reported that fees were collected in the amount of \$15,000. She also included a proposed budget for 2011. The budget will need to be approved at the next meeting. If more Marketing and Promotion will be done in 2011, that line may need to be increased. She also addressed the Community Relations line which is 2% of last year's net. Mr. Hartzell asked if there were any questions. Mr. Leone added that there will be more projects closing this year and he is working on some new projects with potential applicants. Motion made by David Schuster to approve the Treasurer's Report with a second by Clayt Ertel. There was nothing on the question.

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

**Correspondence:**

On 8-18-10, Cindi Rosel e-mailed a notice of public hearing from the Town of Amherst to everyone regarding a Menorah Campus, Inc. Project to be held on August 27, 2010 at the AIDA offices.

**New Business:**

**5485 Transit Road-5505 Transit Road LLC Project**

Mr. Leone received an application from Jeffery Palumbo, the attorney for the applicant, 5505 Transit Road LLC. The owners of the property would like to close on this project as soon as possible. The applicant is asking for a sales tax exemption and mortgage recording tax abatement at this time. They will be coming back to the CIDA for a property tax abatement for which a public hearing will be necessary. The project consists of the acquisition of the existing building located at 5485 Transit Road on approximately 5.7 +/- acres of vacant land. The applicant will be renovating the existing building and constructing a 6,636 +/- square foot addition and acquiring and installing machinery and equipment required for the operation of a commercial retail facility specializing in the resale of previously owned automobiles. Jeffery Palumbo, attorney for the applicant, Anthony Nanula and Jeffrey Lepides, applicants, were

present to explain the project and answer questions. Mr. Palumbo explained the facility will be a used automobile sales operation for the sale of previously used vehicles but will treat the customer as a new car buyer. It will resemble a new car facility. Mr. Palumbo added that they will be coming back to request a Pilot for the project in the near future. Mr. Bengart added that this is a unique sales approach and that the sales price would be about \$350 over invoice. Mr. Nunula of 5505 Transit Road LLC said that the name of the company is Auction Direct, a big box retailer of used cars. Mr. Ertel asked if this is a national chain. Mr. Nunula answered no, it is not. There are presently three stores, one in Victor, NY, that is the company headquarters and the maiden store, one in Raleigh, NC and one in Jacksonville, FL. They also have a Mall location. The operation will have approximately 400 cars in inventory and anticipate 300-400 sales per month, once fully scaled. They will have a unique sales operation that will bring the auction directly to the customer. They will show customers the average wholesale on vehicles from live auctions. The fees over the wholesale price would be the cost for shipping and reconditioning plus \$399. Mr. Bylewski asked what would happen to the project if they did not receive the CIDA benefit. Mr. Palumbo answered that everything would have to be renegotiated and put the project in a delay position. Mr. Bengart asked if it would be fair to say that the project would most likely not be able to go forward. Mr. Palumbo answered that would be the case. He added that they do plan on adding approximately 35 full time and 15 part time employees. Mr. Hartzell asked if this type of project is one that the CIDA can approve. Mr. Bengart answered that this project is in an enhancement zone and, because it is a vacant building and would qualify as Adaptive Re-Use, it is appropriate for consideration and approved by the CIDA. Mr. Leone is asking for the approval of the Board for the sales tax exemption and mortgage recording tax abatement only for the 5485 Transit Road-5505 Transit Road LLC Project.

There was a motion made by Scott Bylewski, that based on the submitted short EAF (Environmental Assessment Form) as well as the written Negative Declaration, to approve the Negative Declaration as written and submitted. There was a second by Clayt Ertel. There was a question by Mary Powell about the SEQR. She was asking if the Town had to approve the SEQR on the project. Mr. Bengart explained that the CIDA is doing the SEQR on this project. It is the appropriate body to do its own SEQR. The project was before the Town but for a change in use. There was no need for the Town to do SEQR but there needs to be one done. That is why the CIDA needs to do its own Negative Declaration. There was nothing further on the question.

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

Mr. Bylewski moved to approve the sales tax and mortgage recording tax abatement for the 5485 Transit Road-5505 Transit R. LLC Project per the written resolution submitted by Nathan Neill with a second by Mary Powell. There was nothing further on the question.

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

**6035 Transit Road Project/Voelkl LLC:**

Mr. Leone is asking for approval for the 6035 Transit Road Project that was the subject of the first public hearing held this morning. The project entails the acquisition of a 9+/- acre parcel to construct a 6,500 square foot commercial building. The applicant is requesting mortgage tax abatement, sales tax exemption to acquire and install machinery and equipment required for the project and property tax abatement. The company will sublease to Buffalo Pharmacies. Mr. Bylewski moved to approve the inducement resolution as submitted subject to the application being conformed and amended as per the testimony at the public hearing with respect to job creation. Mr. Leone will take care of the amendment to the application. There was a second by David Schuster. There was nothing further on the question. Mary Powell had to recuse herself from this part of the meeting.

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

**4015 Casilio Parkway-Seal and Design Project:**

Mr. Leone is asking for the Board's approval on the 4015 Casilio Parkway-Seal and Design Project that was the subject of the second public hearing held this morning. The applicant is requesting Agency assistance in an amount not to exceed \$755,000 for the construction of an 11,000 square foot warehouse/production addition to the Applicant's existing manufacturing facility located at 4015 Casilio Parkway, Clarence, New York. The facility is leased to the Applicant for sublease to Seal & Design, Inc., a manufacturer and distributor of gaskets, seals and o-rings used in the aerospace, automotive, industrial pumps, electrical and medical industries. The expansion is necessary to allow the Seal and Design to maintain and expand its work force in New York State. There was a motion by Clayt Ertel with a second by David Schuster to approve the inducement resolution as submitted. There was nothing further on the question on the question. Mary Powell had to recuse herself from this part of the meeting.

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

**9680 County Road – John Roba Project:**

There was no action taken on this project at this time because Mr. Roba has not as yet submitted an application to the Town. It has to go through planning and zoning and the Town Board. The project will be on the CIDA agenda in September if the applicant submits his application to the Town in time.

At the Leadership Meeting there was discussion regarding the amount of advertising being done by the IDA's. Mr. Ertel agreed with Mr. Hartzell that the advertising is a positive way to go. There was further discussion about the pros and cons of the radio advertising. There was also a discussion regarding on line advertising. It would cost about \$1,000. The budget is over in Marketing and Promotion. Mr. Bylewski asked if there is more advertising being planned. Advertising is under about \$2,500. Mr. Hartzell said that there is enough money to do more advertising. Stick-n-Ball would be willing to be featured in the next ad. There was discussion regarding having the project being used in an ad to contribute to the publication cost and running in the News and not just the Bee. Mr. Schuster wanted to

know what response we get to the ads. Mr. Leone said response varies. Mr. Bylewski reminded the Board that part of the Strategic Plan was to use advertising as a one tool to increase awareness of the Clarence IDA. Seminars were also an important tool. There was further discussion about the radio campaign in conjunction with paper ads. Everyone agreed that there should be a plan and budget but there should also be some flexibility. Mr. Bylewski suggested that the CIDA have a group of three members hash out the marketing plan and present to the members. It was decided that further discussion will take place at the next meeting; Mr. Bengart added that the CIDA does have a plan and has done an excellent job in executing the Strategic Plan. Mr. Ertel suggested targeting issues on what to spend the CIDA funds on. Mr. Hartzell suggested that this be discussed targeting goals at the next meeting.

Mr. Hartzell asked if there were any other non-agenda items for discussion. Being nothing further, Mr. Hartzell made a friendly motion to adjourn and thanked everyone for volunteering and attending.

Meeting adjourned at 9:21 a.m.

Next meeting is September 16, 2010.

Respectfully submitted,

Cynthia M Rosel