

A Work Session of the Town Board of the Town of Clarence was held on Wednesday, March 2, 2011 at the Clarence Town Hall, One Town Place, Clarence, New York.

Supervisor Scott Bylewski called the meeting to order at 9:01 A.M. Members of the Town Board present were Councilmember's Peter DiCostanzo, Patrick Casilio, Bernard Kolber and Joseph Weiss. Other Town officials present were Director of Community Development James Callahan, Senior Building Inspector David Metzger, Assistant Town Engineer Tim Lavocat, Deputy Town Attorney David Donohue and Youth Director Dawn Kinney.

Supervisor Scott Bylewski

There is an opening on the Environmental Management Council of Erie County. Jim Delellis term is up and he has indicated that he does not wish to be reappointed. Supervisor Bylewski has to respond back to the County by April 15th.

The NY Main Street Grant meeting with the residents is scheduled for Friday, March 4th in the auditorium. Last year the Town was not successful in the grant application however we received favorable comments and we were urged to apply again.

Supervisor Bylewski has several items to discuss in Executive Session regarding pending litigation as it relates to LOSAP, collective negotiations and matters leading to the appointment of individuals.

Councilman Joseph Weiss

Councilman Weiss had no report.

Councilman Bernard Kolber

Councilman Kolber had several items to discuss in Executive Session regarding the employment history of a corporation as it relates to the library.

Councilman Patrick Casilio

Councilman Casilio has an item to discuss in Executive Session regarding the employment history of a particular person.

Councilman Peter DiCostanzo

Councilman DiCostanzo attended the Association of Towns Annual Meeting and will have a summary for the next Town Board meeting.

The Clarence Youth Bureau Speaker Series begins tonight with The Social-Emotional Impact of Bullying. It will begin at 7PM at Clarence Middle School.

Assistant Town Engineer Tim Lavocat

Motion by Councilman Casilio, seconded by Councilman Weiss to authorize K.D. Equipment to remove and replace storm drainage piping and associated structures at 5240 Ledge Lane in the amount of

\$17,800. In accordance with their proposal dated October 31, 2010 to be paid from the Town Wide Drainage District. On the question, Mr. Lavocat stated that this has been an on-going problem for years. Councilman Casilio stated that they received several quotes for this project. Upon roll call – Ayes: All; Noes: None. Motion carried.

Motion by Supervisor Bylewski, seconded by Councilman Casilio to enter into Executive Session pursuant to § 105(1) D Pending litigation regarding LOSAP; § 105(1) F the employment history of a particular person, the employment history of a corporation and matters leading to the appointment of an individual. On the questions Assistant Attorney David Donohue was asked to remain in the meeting. Upon roll call – Ayes: All; Noes: None. Motion carried.

The Work Session adjourned at 9:10 AM.

Motion by Supervisor Bylewski, seconded by Councilman Kolber to reconvene the Work Session at 9:30 AM. Upon roll call – Ayes: All; Noes: None. Motion carried.

The Work Session reconvened at 9:30 AM.

Town of Clarence Ice Rink Facility Proposal

Supervisor Bylewski noted there has been discussion for a number of years regarding hockey in the Town of Clarence going back specifically to 1990 with Eleanor and Wilson Greatbatch and most recently the 2009 Satisfaction Survey indicated the need for a ice hockey rink.

Representatives of the Clarence Community Recreation Corporation John Thur, Chris Kempton and Mike Attea presented their formal proposal for an ice rink in the Town of Clarence. Representatives from Eastern Hills Mall were also present.

Chris Kempton stated that they are tax payers as well and live within the town and have been very conscientious about what their goal has been. They are confident that they have put together a proposal that will deliver tax mutual benefit to the town. They are not asking the town tax payers to finance the facility.

The 2009 Satisfaction Survey had approximately 115 respondents. The single largest response/request was for an ice rink facility within the town of Clarence. The survey is on the Town's website for review.

This is not just about providing a facility for youth hockey; the facility will promote wellness within the community. The Town and WNY does an excellent job providing facilities for people to recreate during the summer months but in Buffalo our summer months are two - three months long. Most of us become dormant during the winter months. This facility will promote healthy activity for town and county residents by providing senior leagues, open skate for youth and seniors as well as figure skating.

John Thur stated that Clarence Mustangs started approximately ten years ago under very adverse conditions, no facilities. They are currently using eight different ice rinks including an ice rink in Canada because there is not enough ice here to house all the teams given the appropriate ice times. Through all the adversity and inconveniences, once this facility is built the organization will take off; it is only being held back by the amount of ice time they can actually get. Mr. Thur was of the opinion that more youth will begin to take up hockey with a facility close to home. Clarence High School currently has three teams and within the last couple of years they have gone into the Federation League (JV squad, Varsity squad and a modified program for 8th graders). These players have to practice at 6:30AM in the morning because they cannot get normal afternoon hours. Other high schools practice after school.

The inventory of ice rinks in WNY is very limited. There are approximately 20 facilities and there are 14,000 registered youth hockey players in WNY. Those 20 facilities cannot meet the demand of the 14,000 youth hockey players – this does not account for the senior leagues, figure skating or open skating.

Eastern Hills Mall has agreed to donate the property to build the facility on. The proposed location is nestled between J.C. Penny's and the theater. It will be a free-standing building with a connector into the mall. Since it is a free standing facility, it will be able to operate on its own when the mall is closed.

The Eastern Hills Mall will donate the land to the Town of Clarence, the Town will build the facility, the town will own the facility, and the town will finance the facility by issuing a bond. The town will then lease the facility to the Clarence Community Recreation Corporation – 501(C) 3 not for profit. CCRC will operate the facility, hire the staff and will rent the facility to the different organizations. Clarence Mustangs and Clarence High School have already committed to it. The proposal is to build a two rink facility the two organizations - Clarence Mustangs and Clarence High School will consume one full pad. This will leave one additional pad for other organizations, senior leagues and open skates. Each of the organizations will be required to pay an hourly fee to the CCRC (this is where the CCRC collects its revenues) from its revenues it will pay its operating expenses and it will also make a lease payment back to the town. The Town of Clarence will use the lease payment to repay the bond. The amount of the lease payment will cover the entire repayment of the bond - they propose a 25 year bond.

CCRC feels they will be able to raise additional funds to be able to reinvest back into the facility.

Councilman Weiss stated that from an economic standpoint, this project would not only enhance Eastern Hills Mall but bring in revenue to other local businesses along Transit Road and Main Street especially during tournaments.

John Thur stated that many of the rinks he goes to are located on their own, in the middle of nowhere with nothing around. You can drive for an hour to get there and then you are limited to the ice rink because there is nothing around. Quite often, people will be coming from out of town and when they get to this proposed location, they will have something to do because parents don't always want to sit in a rink.

Mr. Kempton stated that the infrastructure is already in place, there is adequate parking, the site is zoned properly and they will not be infringing on neighborhoods.

Mike Attea stated that CCRC looked at several recent proposals from various towns; they talked to several local engineers and architects and came up with a square footage to use a reasonable estimate. The number revolved around \$8,000,000. Many of the proposals included infrastructure which won't be needed with CCRC proposal because much of the infrastructure is already in place (power lines, water, and sewer) and parking is already established so there would be a savings there.

Councilman DiCostanzo stated that one of his concerns is that there is enough revenue to cover the cost of the Bond. John Thur stated that once this proposal gets adopted, he will receive phone calls from people wanting to sign up. No one is locked in because there is nothing to lock into right now. Mr. Thur stated that they have two years to fill up ice time and he is confident that within the next month he will have people signed up. Many of the facilities in the area are very out dated and not kept up. There are many groups they could take in right away however; CCRC wants to grow in Clarence. There is a pent up demand, many parents will not allow their kids to get involved in hockey because it requires a lot of time and travel so if it is in their backyard and they know they can just play on a house league once or twice a week like soccer and baseball they will eventually within two year fill ice time with youth from the town. Clarence players will have preference.

Youth Director Dawn Kinney was concerned that with the demand for ice hockey there would not be the availability for open skate. John Thur stated that hockey will have its share of ice time but if they need more, they will have to go outside. CCRC will provide a place for home games, if a team is given three ice times per week and they want four, they will have to go elsewhere to find it. The programs inside the facility will be designed for multi-use, multi-tenant to try to service the entire community.

Councilman Weiss asked who would be doing the day to day management of this facility. John Thur stated that they have built into the model the numbers of employees they feel are needed to be hired to run the facility on a day to day basis. CCRC will decide how to best manage that based on the cash flows. Once the tenants are in place you will have a cash flow.

Councilman Casilio questioned why some of these other facilities are so run down if they are booked solid and what would be the difference with the proposed facility. John Thur stated that depends on how much the owner takes out of the business; there is not a lot of money to be made in ice rinks. CCRC is trying to make a 10% profit to put into reserves for future expenses. The reason why so many rinks are run down is the owners don't put any money back into them and take it for themselves – they do not plan ahead and build up their reserves. The reason Mr. Thur feels this facility will be successful is that the rate for ice time is high enough and can go higher based on what they are paying in Rochester because of the demand. CCRC has the donation of prime real estate (which will not have to go into the bond) nor will they have to budget for infrastructure. Interest rates are the lowest in 50 years so you can borrow money at this low rate for a longer period of time which will keep the payment down and

allows the cash flows to pay down the debt. CCRC is a 501(C) 3 and can continually fundraise so people can donate to the Clarence Community Recreation Corporation and take it as a tax write off. Other organizations and facilities do not have this ability. The cash flow projections that CCRC is estimating will more than pay down the debt on this facility. Since CCRC is a private/public venture with the town, they do not have to pay real estate taxes.

Councilman Casilio stated that the town is making an \$8,000,000 investment in the mall which he feels is a perfect fit but he would like a guarantee from Eastern Hills Mall that they are going to be here in 30 years. Mr. Thur stated that the ice arena will be a free standing, open facility and will not depend on the mall being open in order to operate. They are not dictated by the mall, they are donating the land and the arena will be connected to the mall but the area is a free standing facility - it is the town's facility. If the mall were torn down, the arena would still operate.

Mike Attea stated the ice rental fee is projected at \$240 per hour. Total revenue at 100% capacity (average rate \$200 hr.) equal \$2,000,000 (first 3 year projections do no assume full capacity). 50% of ice rental is already committed (1 full pad). Eastern Hills Mall generates approximately \$860,000 in property/school taxes per year. This partnership will promote economic activity for the mall and the businesses along Transit Road. The Clarence Mustang Travel Hockey Program host many teams from outside Erie County, it is estimated that 1100 family visits to Clarence and the EHM over a six month period. Tournaments average 10 teams visiting for 2 nights from outside Erie County. It is estimated that 170 families will generate over \$125,000 in direct spending.

CCRC will be responsible to create and execute a marketing plan to sell ice and generate revenues to operate the facility and retire debt. There are opportunities to partner with Erie Community College. ECC has a very competitive hockey team and this arena would be a very attractive facility for them.

There are several different types of advertising opportunities such as facility naming rights, rink naming rights, room naming rights, advertising on the zamboni, boards and walls. This proposal does not include any revenues from fundraising activities, so any fundraising monies will help control the cost. The fundraising money will be built into the reserve fund so if any problems should arise during the construction phase there will be a strong reserve to overcome any problems.

The CCRC will operate the facility; they will have between 7 – 13 board members. They already have established committee assignments (Building Committee, Fundraising/Advertising Committee, Finance Committee, Marketing Committee and Operations Committee). CCRC will hire its own staff to operate the facility or they could hire an outside company to do this. They will look at both options however; it is more cost effective if they hire the staff themselves.

The next step would be for the Town to put out a RFP for engineering design. Construction will take approximately 11 months with an estimated grand opening date of July 2013.

The CCRC is asking the Town Board to accept their proposal. Eastern Hills Mall has agreed to donate the land; CCRC is asking the Town Board to accept the land and the two parties create a letter of intent. This will help CCRC from a marketing standpoint to draw organizations to them.

CCRC is asking that the town manage the RFP process, award the contract and pay for engineering services. This bill will be added into the bonding to be repaid back to the town.

Councilman DiCostanzo stated that he could not commit to anything that did not build up a reserve fund. If the town went forward with this project, he would like to see that money being held by the town in a CD.

Councilman Casilio would like to see a solid commitment from the mall before going ahead with engineering services. Engineering could cost upwards of \$150,000. John Thur stated they are hoping to get a Clarence resident to do the engineering work for a good rate.

Motion by Supervisor Bylewski, seconded by Councilman Kolber to reconvene the Executive Session at 10:30 AM. Upon roll call – Ayes: All; Noes: None. Motion carried.

There being no further business, the Work Session adjourned at 10:30 AM.

Darcy A. Snyder
Deputy Town Clerk

Motion by Supervisor Bylewski, seconded by Councilman Weiss to adjourn the Executive Session at 12:00 PM. Upon roll call – Ayes: All; Noes: None. Motion carried. No action taken.