

TOWN OF CLARENCE, ERIE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

May 17, 2018

Chris Kempton called the meeting to order at 8:17 a.m.

Present at the meeting were Patrick Johnson, Elaine Wolfe, Mary Powell, Clayt Ertel and Chris Kempton. Also present were Paul Leone, Jennifer Strong, Lawrence Meckler, Steven B. Bengart, and Cynthia Rosel. Guests

8:17 a.m. - Public Hearing – 6449 Transit Road – RSA Development Project.

Mr. Leone asked if everyone had a copy of the Notice of Public hearing. Mr. Leone explained that the Agency previously approved assistance in the form of a lease only or lease with mortgage transaction in an amount not to exceed \$2,500,000 in connection with the acquisition by RSA Development, LLC (the "Lessee") of an approximately 4.97 acre parcel of land located at 6449 Transit Road in the Town of Clarence. The project was for the construction of an approximately 20,000 square foot mixed use facility would fit under the adaptive re-use program. At the time of the original application the Lessee anticipated that the Project would be eligible for tax abatement under Section 485-b and did not apply for real property tax abatement in accordance with the existing Agency Uniform Tax Exemption Policy and Guidelines, which policy would have made the Project eligible for the equivalent of the 485-b tax abatement. The Lessee had been advised by the Town Assessor that due to the residential component of the Project, it is not eligible for the 485-b tax abatement and now the applicant has come back to the CIDA requests that the Agency approve a payment in lieu of taxes equivalent to the 485-b tax equivalent abatement for the Project.

Jeffrey Bochiechio, Mr. Salvatore's Attorney, was present. He provided information that the applicant, Mr. Salvatore, prepared on breaking down the costs of the project. The project costs for the retail portion are well below the 1/3rd requirement of eligibility for this type of project with a retail component.

Mr. Kempton said that there are two issues to discuss. The first is that the Board must have confidence that the project meets the definition of eligibility and the issue here is the cost of the retail portion.

The documents provided by Mr. Salvatore show that \$600,000 of the \$2.2M was spent on the commercial portion. All the costs are broken down and detailed in the hand-out. Mr. Bochiechio will go back to Mr. Salvatore and will provide additional information on the project that will show even more detail as requested.

The second issue was that the applicant believed that the project would be eligible for the 485-b tax abatement for the Town and County portions through the Assessor's Office. They were not eligible. The CIDA will have to decide to induce the project or not regarding a 485-b equivalent incentive PILOT.

Mr. Meckler also asked if Mr. Bochiechio could provide a time line as to the process and how it affected or did not affect the project... would the project have gone forward. The project did go forward due to the sales tax exemption and the mortgage tax abatement. Mr. Salvatore was under the impression that he would be getting the 485-b.

The public hearing will be kept open. The Board will vote on the project at the June meeting.

Mr. Kempton anticipates receiving additional information before then in advance of the June meeting.

Minutes of April 19, 2018.

Mr. Kempton asked if everyone had a chance to review the minutes of the April 19, 2018 meeting. There was a motion by Clayt Ertel with a second by Elaine Wolfe to accept the minutes of the April 19, 2018 meeting. There was nothing on the question.

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

Treasurer's Report.

There is not Treasurer's report for this meeting. Ms. Ignatowski, CFO, will also be out until the end of July on maternity leave. She welcomed a baby girl, Harper Rose, on May 8th. David Schuster who was the Treasurer, accepted a job in Cincinnati and will be resigning as of the end of this month. He will be relocating to Ohio. Mr. Kempton will be the interim Treasurer due to the resignation. Mr. Kempton will ask if Mr. Johnson can take on this position.

Correspondence.

There was a letter from County Executive Poloncarz on the 6449 Transit Road Project. A copy was given to each member. Mr. Kempton called Mr. Poloncarz office and did not reach him. Mr. Kempton left a voice mail message to let Mr. Poloncarz know that he was responding to the letter. Mr. Kempton followed up with an e-mail to let Mr. Poloncarz know once the updated information is received it will be shared with Mr. Poloncarz. He also said that if Mr. Poloncarz would like to have a conversation to discuss the CIDA policies the Chairman and the Board would be more than happy to have a conversation with Mr. Poloncarz.

New Business.

Mr. Kempton wanted to know if the Board wanted to discuss the 6449 Transit Road Project. Mr. Kempton read Article 18(a) law that establishes IDA's. He did not see anything about timing. It does have the retail issue very clearly spelled out with the 1/3 requirement. This timing is the issue. Mr. Kempton

Mr. Leone met with Paul Stephen and Kulbacki regarding a proposed manufacturing operation on Main Street. Mr. Leone does not have details and gave Mr. Stephen an application. When he receives it he will send to Nathan and then to the Board.

Old Business.

None.

Items Not on the Agenda

Robbie McPherson, Marketing and Communication Manager for the ECIDA, was in attendance to inform the Board members about the ECIDA Business Loans and explained what monies are available and how long they will be available. There are un-sequestered federal funds in the amount of \$5M that are available. The ECIDA through its Regional Development Corporation (RDA), the lending arm of the ECIDA, is marketing its loan program and wanted to make the other IDA's aware of the funds. These funds are available for about a year. The RDA is sending out these post cards to over 600 businesses including businesses in Clarence. The RDA has loans at 4% interest for about 5 years. Mr. Leone said that he does market this program. Ms. McPherson said that the clock is ticking on this so they want to make businesses aware that there are funds available. There are some limitations. They can do retail through the RDA. This program is open to all entrepreneurs, and especially supports underserved markets, including borrowers with little to no credit history, low income borrowers, and minority and women entrepreneurs in distressed rural and urban areas, who may not qualify for more conventional loans. If the CIDA is interested at all to have Jerry Manhard come to a meeting to explain the Business Loan program he would be glad to do so. Just let her know and she can arrange it. Mr. Kempton thanked Robbie for coming in.

Mr. Kempton reminded the members that there are still two openings on the Board. If anyone that would be interested in becoming a member of the CIDA. Applications are available on the website under the Document drop down menu. Please reach out to anyone you may know of.

Public Comments.

None.

There being nothing further, there was a motion to adjourn the meeting by Clayt Ertel with a second by Elaine Wolfe. There was nothing on the question.

Meeting adjourned at 8:56 a.m.