

Hamburg Industrial Development Agency

**Board of Directors Meeting
December 20, 2016
Room 7B - Hamburg Town Hall**

Present

Tom Moses
Jeff Brylski
Bob Reynolds
Lou McDonald
Patti Paul
Cameron Hall
Norma Rusert-Kelly
Wenceslao Valentin

Excused

Janet Plarr

Guests

Nathan Neill
Craig Cwick

Executive Director

Michael J. Bartlett

- **Move** to open the Public Hearing for Ford Motor Company Buffalo Stamping Plant at 7:30 am.

- The company has submitted an application to the Agency requesting assistance in the form of an Installment Sales Transaction. The assistance contemplated will include sales tax exemption on any materials and/or equipment purchased for projects, expansions, and improvements at Ford properties within the Town. The agreement will commence on January 1, 2017 for a five year period, ending December 31, 2021. The company estimates that approximately \$24 million in project investments will be eligible under the new agreement.

- The Buffalo Stamping Plant (BSP) manufactures metal stampings and welded sub-assemblies for Ford Motor Company's automotive car and truck assembly plants in North America, Great Britain, and Mexico. BSP has been a strong contributor to the Ford Motor Company since 1950. When the facility opened it was 1,235,895 square feet of working floor space. They have had six major expansions and the facility is now 2,452,883 square feet or 53.3 acres of floor space. BSP provides stampings for the Edge, MKX, F-150, Super Duty, and the Focus. They are a state of the art stamping facility with highly technical robotic processes. BSP has a long term and experienced work force, with highly skilled technical trades. They have a strong presence in the WNY Community and extensive business partnerships with JDRC, March of Dimes, United Way and the Variety Club Telethon. They have a highly paid workforce and BSP is a leader in energy efficiency. BSP was one of the first plants in the Ford system to install LED lights in the plant. Their impact on the economy in the WNY area is significant. For every one direct job at the plant, there are 10 indirect jobs created; one of the highest economic multiplier effects of any industry. This includes but is not limited to suppliers, security, construction commodity, restaurants, cleaning and medical support services.

- The sales tax exemption is very important to the continued viability of the plant. It is one of the key variables allowing them to successfully compete for new work when the company considers sourcing options, as it is critical to their competitiveness. Ford has several other stamping plants in North America, and the work presently done at the Buffalo Stamping Plant (BSP) could be re-sourced to any one of them if the conditions in NY become uncompetitive.

- Plant Management wants to continue with the partnership they have with HIDA as it is a great help to them and they believe they have a significant impact on the WNY economy. In addition to the more than 1000 jobs they provide directly, they indirectly support numerous additional jobs within the local economy. BSP is vital to the State and Local economy, and continued availability of affordable purchases is a key factor in Ford Motor Company's long term commitment to the Western NY area.

- There is extreme competition within the company, specifically among stamping plants, to address new product development and secure new business. There are eight plants in North America with stamping capabilities,

including the BSP facility, vying for new business. Additionally, BSP is the only remaining Ford stand-alone stamping plant. Producing product at BSP incurs costs of freight to ship the product to the various assembly plants. It is at a competitive disadvantage with the other Ford stamping plants as they are integrated stamped with assembly plants. Ford's investment in the BSP has been significant in recent years and they would like to see more investment going forward; securing the HIDA tax exemption goes a long way in staying competitive within the Ford system.

- The Hearing Officer closed the Public Hearing at 7:33 am.

- Move to open the Board of Directors meeting at 7:33 am.

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT, AND OTHER INSTRUMENTS AND OTHER MATTERS FOR FORD MOTOR CO. BUFFALO STAMPING PLANT 2017-2021.

Moved: Cameron Hall

Seconded: Jeff Brylski

Ayes: Moses, McDonald, Paul, Rusert-Kelly, Valentin, Reynolds, Hall, Brylski

Nays: none

Carried

- Bond Council Nathan Neill explained that since the Inducement Resolution for Sharma Development adopted on December 22, 2015 and extended on November 15, 2016 needs to be amended. The reason is the Lessee (Sharma Development, LLC) has finalized the tenancies that will occupy their facility. The Lessee has requested that Premier Ambulatory Surgery Center, LLC, Sharma Ophthalmology, PLLC, and Sharma Medical, PLLC, all entities related to the Lessee be authorized to acquire and install machinery and equipment and that Great Lakes Imaging, LLC and Premier Medical Pharmacy, LLC be added as occupants of the facility and authorized to enter into the Installment Sale with the Agency for the purpose of acquiring and installing machinery and equipment required in connection with the project.

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AMENDING THE INDUCEMENT RESOLUTION ADOPTED BY THE AGENCY ON DECEMBER 22, 2015 AND EXTENDED FOR AN ADDITIONAL ONE YEAR PERIOD ON NOVEMBER 15, 2016, AUTHORIZING SHARMA DEVELOPMENT, LLC (THE "LESSEE") TO ACQUIRE AN APPROXIMATELY 12 ACRE PARCEL OF LAND LOCATED AT 2816 PLEASANT AVENUE AND TO CONSTRUCT AN APPROXIMATELY 22,306 SQUARE FOOT BUILDING THEREON, AS AGENT FOR THE AGENCY AND AUTHORIZING PREMIER AMBULATORY SERVICES DEVELOPMENT COMPANY LLC (THE "SUBLESSEE") TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, AS AGENT FOR THE AGENCY, ALL FOR AN ARTICLE 28 LICENSED AMBULATORY SURGERY CENTER, FOR LEASE TO THE AGENCY AND SUBSEQUENT LEASEBACK TO THE LESSEE FOR SUB-SUBLEASE TO THE SUBLESSEE PURSUANT TO AN INSTALLMENT SALE TRANSACTION AND TO TAKE OTHER PRELIMINARY ACTION TO ADD THE NAMES OF ALL THE PROPOSED SUBLESSEES IN THE FACILITY AND TO EXTEND THE AUTHORIZATION TO ACQUIRE MACHINERY AND EQUIPMENT PURSUANT TO THE INSTALLMENT SALE AGREEMENT TO PREMIER AMBULATORY SURGERY CENTER, LLC, SHARMA OPHTHAMOLOGY, PLLC AND SHARMA MEDICAL, PLLC

Moved: Bob Reynolds

Seconded: Patti Paul

Ayes: Moses, Valentin, Brylski, Rusert-Kelly, Hall, McDonald, Reynolds, Paul

Nays: none

Carried

- HIDA 2017 Budget - the 2017 HIDA Budget was accepted by the Board on November 15, 2016 and placed on file in the Town Clerk's Office. The Board now needs to formally adopt the 2017 HIDA Budget.

- **Motion** to adopt the 2017 HIDA Budget as submitted

Moved: Cameron Hall

Seconded: Norma Rusert-Kelly

Ayes: Moses, Reynolds, McDonald, Brylski, Paul, Valentin, Hall, Rusert-Kelly

Nays: none

Carried

- Following the presentation by Carl Calabrese from Masiello, Martucci, Calabrese and Associates at our November 15, 2016 Board of Directors meeting, no action was taken in regards to renewing the contract with them for another 12 month period. Mr. Bartlett stated that we have been working with the firm since 2010 and their help has been very important on many issues the HIDA deals with. He recommended renewing the contract for another 12 months.

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Public Hearing: JGM Associates Limited Partnership

Attendance:

Tom Moses
Jeff Brylski
Bob Reynolds
Lou McDonald
Patti Paul
Cameron Hall
Norma Rusert-Kelly
Wenceslao Valentin
Craig Cwick
Nathan Neill

Hearing Officer:

Michael J. Bartlett

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