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**Hamburg Industrial Development Agency
Board of Directors Meeting
September 22, 2021, 4:30pm
3785 South Park Avenue, Blasdell**

Present

Andy Palmer
Tom Moses
Wence Valentin
Bob Hutchison
Norma Rusert-Kelly
Davis Podkulski
Robert Reynolds
Cam Hall

Excused

Janet Plarr

Guests

Jennifer Strong, Neill & Strong
Mary Doran, HIDA
Dave Chiazza, Iskalo – via Zoom
Chris Urban

Executive Director

Sean Doyle

-Roll Call

-Motion to open the board meeting at 4:38pm.

Moved: Bob Reynolds

Seconded: Norma Rusert-Kelly

Ayes: Moses, Hutchison, Podkulski, Reynolds, Valentin, Hall, Rusert-Kelly, Palmer

Nays: none

Carried

Director Doyle deviated from the agenda and moved the 17 Long Project to the top, he read the following resolution:

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AUTHORIZING ISKALO 17 LONG, LLC (THE "LESSEE") TO ADAPT AND RE-USE A 28,890 SQUARE FOOT FORMER GROCERY STORE FOR AMBULATORY HEALTH CARE SERVICES AT 17 LONG AVENUE, VILLAGE OF HAMBURG, AS AGENT FOR THE AGENCY FOR LEASE TO THE AGENCY AND SUBSEQUENT LEASEBACK TO THE LESSEE AND TO TAKE OTHER ACTION.

WHEREAS, ISKALO 17 LONG, LLC (the "Lessee") has entered into negotiations with the officials of the Town of Hamburg Industrial Development Agency (the "Agency") with respect to the adaptive reuse and renovation of a 28,890 square foot former grocery store for ambulatory health care services at 17 Long Avenue in the Village of Hamburg for lease to the Agency and subsequent Leaseback to the Lessee (the "Project"); and

WHEREAS, the assistance contemplated by the Agency will include 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; and

WHEREAS, the Lessee has submitted an Eligibility Questionnaire and other materials and information to the Agency (collectively hereinafter the "Eligibility Questionnaire") to initiate the accomplishment of the above; and

WHEREAS, the Agency has, after giving all required notices, held a public hearing on the Project pursuant to Section 859-A of the General Municipal Law; and

WHEREAS, letters stating that there will be a deviation from the Agency's UTEP and describing the PILOT Deviation were mailed or delivered to each affected Tax Jurisdictions; and

WHEREAS, the Eligibility Questionnaire sets forth certain information with respect to the Lessee, including the following: that the Lessee desires Agency assistance in regard to the adaptive reuse and renovation of a 28,890 square foot former grocery store for ambulatory health care services at 17 Long Avenue in the Village of Hamburg for the continued growth of the Lessee and future Sublessees; if the assistance is granted, **the Lessee anticipates retaining 20 FTE and hiring another 10 FTE employees at the Project location** in the Village of Hamburg within two years following the completion of the Project; that the Project will result in substantial capital investment; that there will be no adverse disruption of existing employment at facilities of a similar nature in the Town of Hamburg; if Agency assistance is disapproved, the Lessee would have to scale back the Project negatively impacting future growth in New York; and that, therefore, Agency assistance is necessary to encourage the Lessee to proceed with the Project in the Village of Hamburg; and

WHEREAS, the Agency desires to further encourage the Lessee with respect to the Project, if by so doing it is able to induce the Lessee to proceed with the Project in the Village of Hamburg.

NOW, THEREFORE, THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the acquisition, construction, equipping and installation of the Project and the financing or other assistance thereof by the Agency pursuant to the New York State Industrial Development Agency Act will promote and is authorized by and will be in furtherance of the policy of the State as set forth in said Act. The Agency further hereby determines, on the basis of the Eligibility Questionnaire and supplemental information furnished by the Lessee, as follows: (a) it would not have financed or otherwise assisted the Project except to induce the location of the Project in the area to be served by the Project as there is a demonstrable need for the Project; (b) that Agency financing and/or other assistance is reasonably necessary to promote economic development and to induce the Lessee to proceed with the Project; (c) there will be no substantial adverse disruption of existing employment or facilities of a similar nature to the Project in such area; (d) the Project will allow the Lessee to expand its business in the Town of Hamburg; (e) the Project will create additional employment and provide substantial capital investment; The Agency further determines, on the basis of the Lessee's Eligibility Questionnaire that; (f) the Project as represented is reasonably necessary to provide the purposes of the Act, subject to verification and confirmation of such representations prior to the into a lease with mortgage or lease only transaction and (g) the Project is an integral part of the Lessee's plan to proceed with the Project in the Village of Hamburg.

Section 2. The Chairman, Vice Chairman, Executive Director, Secretary and Assistant Secretary of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Lessee to assist in the acquisition, construction and equipping of the Project.

Section 3. The Lessee is authorized to initiate the adaptive reuse and renovation of a 28,890 square foot former grocery store for ambulatory health care services at 17 Long Avenue in the Village of Hamburg, by the Lessee, as Agent for the Agency, for lease to the Agency and subsequent Leaseback to the Lessee, and to proceed with the acquisition and installation of machinery, equipment, furnishings and fixtures required in connection therewith at a total Project Cost not to exceed **\$4,500,000.00**, subject to the obtaining of all required approvals from the Village of Hamburg and other involved governmental agencies, and to advance such funds as may be necessary to accomplish such purposes.

Section 4. The Agency is hereby authorized to enter into such agreements with the Lessee, as the Chairman, Vice Chairman, Executive Director or other officer may deem necessary in order to accomplish the above.

Section 5. The Lessee is authorized to make purchases of goods and services relating to the Project that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$1,910,260.00** which may result in a New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed **\$167,147.00**. The Agency may consider any requests by the Lessee for increases in the amount of sales

and use tax benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services necessary for the completion of the Project.

Section 6. Any such action heretofore taken by the Lessee in initiating the acquisition and construction of the Project is hereby ratified, confirmed and approved.

Section 7. Any expenses incurred by the Agency with respect to the Project and the financing thereof shall be paid by the Lessee. By acceptance hereof, the Lessee agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

Section 8. The Agency hereby authorizes and approves real property tax abatement benefits structured through a **5 year freeze on assessment of \$ 674,000.00 payment in lieu of taxes program** ("PILOT Agreement") estimated to provide **\$33,606.34 in real property tax abatement benefits**, and resulting in estimated total payments in lieu of taxes of **\$254,501.81** over the term of the PILOT Agreement.

Section 9. The Agency hereby authorizes and approves that the value of the mortgage to be placed upon the facility shall not exceed **\$4,500,000.00** and that the mortgage tax exemption benefit shall not exceed **\$33,750.00**.

Section 10. The execution and delivery of a Project and Agent Agreement, Closing Agreement, Lease to Agency, and Leaseback Agreement between the Agency and the Lessee, each being substantially in the form approved by the Agency for prior transactions or in form approved by the Chairman, Vice Chairman, Executive Director or Assistant Secretary is hereby authorized. The appropriate officers of the Agency are hereby authorized to execute, seal, acknowledge and deliver such agreement and any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution. The execution and delivery of each such instrument shall be conclusive evidence of due authorization and approval.

Section 11. The execution and delivery of a mortgage from the Agency and the Lessee to a lender selected by the Lessee and approved by the Chairman, Vice Chairman, Executive Director or Assistant Secretary in an amount not to exceed **\$4,500,000.00** and other ancillary documents, if required, which mortgage and ancillary documents shall be substantially in the form approved by the Agency for prior transactions or in form approved by the Chairman, Vice Chairman, Executive Director or Assistant Secretary is hereby authorized. The appropriate officers of the Agency are hereby authorized to execute, seal, acknowledge and deliver such agreement and any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution. The execution and delivery of each such instrument shall be conclusive evidence of due authorization and approval.

Section 12. The Agency has made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, environmental status, fitness, design, operation or workmanship of any part of the Project, its fitness for any particular purpose, the quality or capacity of the materials in the Project, or the suitability of the Project for the Lessee's purposes or needs. The Lessee is satisfied that the Project is suitable and fit for Lessee's purposes. The Agency shall not be liable in any manner whatsoever to anyone for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Project property or the use or maintenance thereof or the failure of operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused, and the Lessee hereby indemnifies and holds the Agency harmless from any such loss, damage or expense.

Section 13. The provisions of Section 875 of the General Municipal Law shall apply to this Project. In the event it is determined that an agent, project operator or other person or entity obtained state sales and use exemptions benefits for which they were not entitled or which were in excess of the amount authorized or which are for property or services not authorized or taken in cases where such Lessee, its agents, project operators or other person or entity failed to comply with a material term or condition to use property or services in the manner required by Agreements entered into between the Agency and the applicant with respect to the Project, the agent, project operator or other

person or entity shall comply with all the provisions of Section 875 and pay back to the Agency the amount of the state sales and use tax exemptions benefits that they obtained but were not entitled to.

Section 14. Should the Agency's participation in this Project be challenged by any party, in the courts or otherwise, the Lessee shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from such challenge, including, but not limited to, the fees and disbursements of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under Article 18-A of the General Municipal Law to participate in the Project, this resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Lessee hereunder or otherwise.

Section 15. This resolution is subject to compliance with all local building and zoning requirements.

Section 16. The Agency has reviewed the approvals adopted by the Hamburg Village Board on July 6, 2021 determining that the proposed action will not have a significant impact on the environment and that a draft environmental impact statement will not be required to be prepared and the Agency hereby determines, based upon information furnished to the Agency by the Village of Hamburg and such other information as the Agency has deemed necessary to make this determination, that the Project does not require the preparation of an environmental impact statement under the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation law, as the contemplated actions will not have a significant effect on the environment and the Agency hereby confirms the negative declaration previously adopted by the Village of Hamburg attached hereto and made a part hereof.

Section 17. The provisions of the Town of Hamburg Industrial Development Agency Policy for Recapture and/or Termination or Modification of Financial Assistance and Local Labor Policy shall be applicable to this Project.

Section 18. This Resolution shall take effect immediately and shall continue in full force and effect for one (1) year from the date hereof and on or after such one (1) year anniversary, the Agency may, at its option (a) terminate the effectiveness of this Resolution (except with respect to the obligations of the Lessee pursuant to Sections 12, 13, 14 and 17 of this Resolution which shall survive any expiration or termination) or (b) allow the Lessee additional time in which to close the transactions contemplated by this Resolution based upon affirmative actions taken by the Lessee to complete such transactions. Upon any allowance of additional time to close, the Agency may charge the Lessee an extension fee in accordance with the Agency's fee schedule.

Doyle opened the floor to the board –

Andy Palmer reiterated it is a net gain of 10 employees, 30 total.
The assessment is \$674,000 for 5 years and all taxing parties will get their normal percentage.

-Motion to approve the above resolution for 17 Long:

Moved: Cam Hall **Seconded:** Andy Palmer

Roll Call Vote:

Hall – aye, Moses – aye, Hutchison – aye, Palmer – aye, Podkulski – aye, Reynolds – aye, Rusert-Kelly – aye, Valentin – aye

Carried

-Motion to recess at 4:47pm.

Moved: Andy Palmer **Seconded:** Norma Rusert-Kelly

Ayes: Moses, Hutchison, Podkulski, Reynolds, Valentin, Hall, Rusert-Kelly, Palmer

Nays: none

Carried

-Motion to come out of recess at 5:09pm.

Moved: Bob Reynolds

Seconded: Wence Valentin

Ayes: Moses, Hutchison, Podkulski, Reynolds, Valentin, Hall, Rusert-Kelly, Palmer

Nays: none

Carried

-Motion to approve the August 18, 2021 board meeting minutes.

Moved: Davis Podkulski

Seconded: Bob Hutchison

Ayes: Moses, Hutchison, Podkulski, Reynolds, Valentin, Hall, Rusert-Kelly, Palmer

Nays: none

Carried

-Motion to approve the September 10, 2021 board meeting minutes.

Moved: Andy Palmer

Seconded: Norma Rusert-Kelly

Ayes: Moses, Hutchison, Podkulski, Reynolds, Valentin, Hall, Rusert-Kelly, Palmer

Nays: none

Carried

Treasurer, Bob Reynolds, gave an update on the financials; totals expenses for the month of August \$12,065.90 and assets of \$972,040.59.

-Motion to approve the August 2021 Treasurer Report.

Moved: Bob Reynolds

Seconded: Wence Valentin

Ayes: Moses, Hutchison, Podkulski, Reynolds, Valentin, Hall, Rusert-Kelly, Palmer

Nays: none

Carried

Executive Director Update:

-Local Labor Policy is still a work in progress, currently working thru a plan to charge fees for deviation from the policy on a percentage basis. The proposed monies collected would go to the Board of Education Services for employment training.

-Supervisor Shaw could not make the meeting today. The HIDA made a \$500 contribution to FeedMore in his name. The board agreed he should be recognized for his service as his 4 year term is coming to an end.

The board discussed having the council members attend the HIDA board meetings regularly as well as the town supervisor. Doyle does meet with the supervisor on a monthly basis.

- An invitation should be extended to the council. It was agreed not all members have to attend every meeting but they should be aware of our activities and attend occasionally. Currently, they receive the monthly meeting minutes.
- Doyle could also attend the town/village work sessions quarterly and give them “a statement of affairs” recap.

STRATEGIC PLANNING:

The last time the board met to strategic plan was in the fall of 2019. This is a measurement our progress vs the goals discussed in 2019.

Recap since 2018 – This a great snapshot of the economic impact we have had on the community.

- > \$118 million investment in the community
- > 150 permanent new jobs (does not include spinoff jobs)
- > \$1,479,000 land sales
- > \$437,000 lent to businesses in Hamburg thru the HDC loan fund

Financial Position

<u>HIDA</u>	
Year end 2020 =	\$652,000
August 2021 =	\$972,000
Projected year end 2021 =	\$1,144,655
 <u>LDC</u>	
August 2021 =	\$1,700,000 (land asset to cash asset)
 <u>PITCH</u>	
August 2021=	\$1,750.00

Recap 2019

Wins

Walden Development
Oaks at South Park
3830 Jeffrey
EOne
Key Capture Energy
PITCH
Internal Operations
Human Resources & BOD
Grants

Opportunities Missed

High Paying Jobs
Evans Bank
Cubric
Partnership with higher education

Take Away:

- Need to emphasize high paying jobs
- Create “packages” to bring these high end deals with jobs to Hamburg, deviate from UTEP
- Partner with Hilbert College
- Town of Hamburg – strategic plan should include the possibility of a new Bills Stadium think out of the box and towards the future.

Round Table Exercise – Board Members write a positive & a negative

Positive activities

Amazon
Search Committee/Doyle/leadership
Route 5 development
Place Theatre Loan
LDC purchasing land
Fed Ex
Diversity of Projects
Scott Street
Reinvesting in existing projects
Not afraid to act on projects

Negative – action items

More activity in Blasdell
Win high paying jobs
Focus on higher paying jobs & McKinley Mall
Exit 57
Better educate the public – PR
* Better alignment with Town Planning
Fill vacant buildings
Key state leaders that oppose IDAs
More people having a positive attitude
Connect with high school trades

* Better alignment with Town Planning –

- Read planning board minutes to become aware of projects on the horizon
- Join work sessions with planning board
- HIDA Pamphlet in planning office
- Put a package together with the different town departments outlining what each can do and explains programs available.
- Website links – TOH to IDA etc.

Looking ahead 2022-2023

- Marketing & Public Relations –regular inputs in social medial, it is important to tell our own story.
- Scott Street, awesome public partnership, event planning
- PITCH will look to the HIDA for support
- Skilled trades, how do we have more focus on this?

-Motion to adjourn at 6:48pm

Moved: Wence Valentin **Seconded:** Andy Palmer

Ayes: Moses, Hutchison, Podkulski, Reynolds, Palmer, Rusert-Kelly, Valentin, Hall

Nays: none

Carried

Sincerely,



Sean Doyle, Executive Director