



6122 South Park Avenue
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**Hamburg Industrial Development Agency
Board of Directors Meeting
August 9, 2023, 7:30am
Blasdell Village Hall**

Present

Bob Reynolds
Tom Moses
Davis Podkulski
Bob Hutchison
Cam Hall
Jamel Perkins
Janet Plarr
Andy Palmer

Excused

Wence Valentin

Guests

Jennifer Strong, Neill & Strong
Mary Doran, HIDA

Executive Director

Sean Doyle

- Pledge of Allegiance

-Roll Call

-Motion to open the board meeting at 7:36am

Moved: Tom Moses

Seconded: Janet Plarr

Ayes: Moses, Podkulski, Hutchison, Reynolds, Hall, Plarr, Perkins, Palmer

Nays: none

Carried

-Motion to approve the July 2023 board meeting minutes

Moved: Cam Hall

Seconded: Jamel Perkins

Ayes: Moses, Podkulski, Hutchison, Reynolds, Hall, Plarr, Perkins, Palmer

Nays: none

Carried

Treasurer, Bob Reynolds, gave an update on the financials. July had income of \$4,206.72 which included a \$500 administration fee. Monthly income over expenses totaled - \$7,804.81 and total liabilities and equity equal \$961,941.23.

-Motion to approve the July 2023 Treasurer Report

Moved: Andy Palmer

Seconded: Davis Podkulski

Ayes: Moses, Podkulski, Hutchison, Reynolds, Hall, Plarr, Perkins, Palmer

Nays: none

Carried

Executive Director Update:

- Project closings are slow – Mission Hills is on the agenda today.
- The Employee Retention Credit submitted to the IRS was denied. Upon researching the HIDA does not meet the criteria because it does not pay federal income tax and reports to a public authority. NYSEDC was not aware of any companies that applied. The Cattaraugus IDA was asked to return the funds they received for the ERC. The HIDA will monitor the outcome of the Cattaraugus IDA ERC and does not plan to pursue it any further.
- Sintra project is still on the table they are working with Hilbert and their space needs as well as looking for a viable tenant for the reuse portion of the project.
- HDC Loan fund, 2 loans were recently approved. Hat Trix was approved for \$60,000 without any contingencies. The 2nd loan approved had contingencies and a close by date of December 31, 2023. The HDC loan fund has had a lot of activity in recent months due to the rise in interest rates. The approved loans once closed will significantly draw down the available funds for lending therefore the HDC may have to request additional funding from Community Development.

The board talked about the HDC at length and the positive affect it has had on small businesses in the community. A spreadsheet of active HDC loans as well as future HDC board minutes will be sent to the HIDA board so they can see the impact of the loan fund. Additionally, the HIDA would like to identify what their contribution is to the HDC.

- Notable real estate up for sale 4467 Lake Shore Road, it would be great site for a mixed use development.
- Johnson's Landing will be opening mid-August. The project received IDA incentives as well as a HDC loan.

New Business

Unfinished Business

Doyle noted the date change of the HIDA August Board meeting to today to accommodate Betlem LLC with their refinance closing date. Doyle read the following resolution:

***RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY
CONSENTING TO A GAP MORTGAGE AND A MORTGAGE CONSOLIDATION, MODIFICATION
AND EXTENSION AGREEMENT IN AN AMOUNT NOT TO EXCEED \$2,128,000.00 IN
CONNECTION WITH THE REFINANCING OF THE 2009 BETLAM ASSOCIATES LLC PROJECT***

WHEREAS, to accomplish the purposes of the Act, the Agency induced BETLAM ASSOCIATES LLC a limited liability company to commence with the acquisition and equipping by the Agency through a lease with mortgage or lease only transaction of a commercial facility consisting of the acquisition of a parcel of land consisting of 3.5+/- acres located 250 Lake Avenue (a/k/a 0 Lake Avenue), Hamburg, New York and the renovation of an approximately 90,000 square foot building therein, by the Lessee, as Agent for the Agency, for lease by the Lessee to the Agency for sublease to the Lessee for sub-sublease to Upstate Steel, Inc., (the "Sublessee") who will be the sole occupant of the facility, all for the provision of a manufacturing and distribution Facility (the "Project") and in furtherance of said purpose the Agency adopted its Inducement Resolution on August 27, 2019; and

WHEREAS, pursuant to such Inducement Resolution, the Agency acquired a leasehold interest in the Facility pursuant to a certain Lease to Agency, dated as of October 1, 2019, between BETLEM ASSOCIATES LLC as lessor, and the Agency, as lessee,

(the "Lease to Agency") and leased the Facility back to BETLEM ASSOCIATES LLC pursuant to a certain Leaseback Agreement, dated as of October 1, 2019, between the Agency, as lessor, and BETLEM ASSOCIATES LLC, as lessee, (the "Leaseback Agreement");

WHEREAS, the Agency has now received a request for the Agency's consent to the execution and delivery by BETLEM ASSOCIATES LLC, of a Gap Mortgage and a Mortgage Consolidation, Modification And Extension Agreement and other ancillary documents in an amount not to exceed \$2,128,000.00 to EVANS BANK (the "Mortgage Documents");

WHEREAS, the facility will remain a manufacturing and distribution facility; accordingly, there will be no change in the Payment in Lieu of Taxes ("PILOT") Provisions attached as Exhibit C to the Leaseback Agreement.

NOW, THEREFORE BE IT RESOLVED AS FOLLOWS:

Section 1. The Agency hereby consents to the execution and delivery of a Gap Mortgage and a Mortgage Consolidation, Modification And Extension Agreement and other ancillary documents, with respect to the Lease to Agency and the Leaseback Agreement.

Section 2. The execution and delivery of the Mortgage Documents in the 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 Certificate. The execution and delivery of the Mortgage Documents shall be conclusive evidence of due authorization and approval.

Section 3. The Agency determines that the PILOT provisions shall remain unchanged as there is no change in use or in the occupancy of the Facility.

Section 4. BETLEM ASSOCIATES LLC agrees that it will pay all Agency Administrative Fees and legal fees due at closing.

Section 5. This resolution shall take effect immediately.

Adopted: August 9, 2023

Accepted: August __, 2023

-Motion to approve the above resolution consent to refinance for Betlem LLC.

Moved: Andy Palmer **Seconded:** Bob Reynolds

Ayes: Moses, Podkulski, Hutchison, Reynolds, Hall, Palmer, Plarr, Perkins

Nays: none

Carried

Betlem is currently in the 2nd year of their PILOT which will expire in 2030. Additionally, Doyle stated they were denied Women Owned Business status. The women in the company were clearly involved in the PILOT process and were present at the PILOT closing. Doyle reached out to Senator Gallvin's office to appeal the denial.

-Extension request for Mission Hills, Doyle asked the developer to speak at the meeting today regarding the extension request and project status. Because he was not present Janet Plarr made a motion to table the extension request until he could speak on his behalf. The board concurred, if they are financially supporting they need to know from the developer what is going on with the project.

-Motion to table the extension request for Mission Hills.

Moved: Janet Plar **Seconded:** Bob Reynolds

Ayes: Moses, Podkulski, Hutchison, Reynolds, Hall, Palmer, Plarr, Perkins

Nays: none

Carried

* **Reminder** to the board annual sexual harassment training is required by law for all board members. Training thru current employer is acceptable please forward the HIDA proof of completion.

Davis Podkulski had thought he would be stepping down from the Frontier School Board but stated he will be reappointed and serving one more year.

-Privilege of the Floor – Doyle stated the HIDA board received a response from a letter he submitted on behalf of the HIDA to the editor of the *Buffalo News*. He informed the letter writer they are welcome to come to the HIDA meeting and speak directly to the board to voice his/her concerns.

-Motion to adjourn at 8:13am

Moved: Andy Palmer

Seconded: Janet Plarr

Ayes: Moses, Podkulski, Hutchison, Reynolds, Hall, Plarr, Perkins, Palmer

Nays: none

Carried

Sincerely,

Sean Doyle, Executive Director

Next meeting: September 20, 2023 7:30AM Blasdell Village Hall