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Hamburg Industrial Development Agency

**Board of Directors Meeting
Public Hearing – The Oaks at South Park
June 5, 2019
Court Room - Blasdell Village Hall**

Present

Andy Palmer
Tom Moses
Robert Reynolds
Bob Hutchinson
Janet Plarr
Cam Hall
Norma Rusert-Kelly

Excused

Wence Valentin
Jeff Brylski

Executive Director

Sean Doyle

Guests

Jennifer Strong, Neill & Strong
Mary Doran, Hamburg Development Companies
Sean Hopkins, Attorney, Hopkins, Sorgi & Romanowski
Anthony Cutaia, Owner Ranc Management
Richard Pinkowski, Hilbert College
Dennis Chapman, Frontier Resident

- **Move** to open the Board of Directors meeting at 7:30am, Executive Director, Doyle.

Moved: Andy Palmer

Seconded: Cam Hall

Ayes: Palmer, Moses, Hutchinson, Hall, Plarr, Rusert-Kelly, Reynolds

Nays: none

Carried

- **Roll Call**

- **Motion** to open Public Hearing

Moved: Andy Palmer

Seconded: Bob Reynolds

Ayes: Palmer, Moses, Hutchinson, Hall, Plarr, Rusert-Kelly, Reynolds

Nays: none

Carried

-**Director Doyle** stated the following;

The Oaks at South Park, LLC (the "Applicant") - Request for Agency assistance in the form of a lease with mortgage transaction in an amount not to exceed \$28,700,000. 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, as amended. The Oaks at South Park, LLC (the "Lessee") requests assistance in connection with the acquisition by the Lessee of an approximately 27 acre parcel of land located at 5138 South Park Avenue in the Town of Hamburg, (i) the adaptive re-use of a former school building and re-development of the parcel of land for construction of 19 two-story buildings totaling 152

housing units and (ii) installation of baseball and softball fields and other amenities (the "Improvements"), thereon and the acquisition and installation of machinery, equipment, furnishings and fixtures required in connection therewith by the lessee, as agent for the Agency, all for a housing complex with additional services (the "Project"). Agency assistance is necessary to make this Project economically feasible. The Project will be leased by the Lessee to the Agency for sublease back to the Lessee for sub-sublease to residential tenants which will be the occupants of the Project.

-Director Doyle opened the floor up for discussion.

Sean Hopkins, Attorney for Ranc Management spoke on behalf of the applicant, The Oaks at South Park. He opened with the following points:

- 27 acres
- zoned R3
- Adaptive Reuse
- The property has not generated any tax revenue in quite some time because it was owned by the Catholic Diocese – the former school operated from 1928 to 2016.
- 152 Units
- Hilbert College would be their potential neighbor – as a benefit to the college they will finance and install 2 brand new NCAA regulation baseball and softball fields.
- IDA incentives are needed to make project economically viable

Hopkins, then read a portion of the Countywide Adaptive Reuse Policy. The building on the property being reused will have to be remediated for asbestos, it was built in 1952. About half of the building will remain after remediation and construction are completed.

Janet Plarr asked to see the site plan map. Hopkins, presented the map to the board and pointed out several features; bike path, walking trails, new ball fields and the green space kept for privacy for the residents of Twilight, a neighboring street.

Resident, Dennis Chapman, spoke up against the project as a Frontier tax payer. He does not want to lose the additional the tax revenue for the town.

Richard Pinkowski, spoke on behalf of Hilbert College. The college is in favor of the project, they are building the new fields at no cost to Hilbert. Hilbert would enter into a 99 or 100 year lease with Ranc Management and the college would maintain and manage the ball fields. The ball fields would also be available for community use. The current parking lots on campus are more than efficient for an increase in parking. Hilbert has also agreed to allow their road to be used as an additional entrance to the new development, therefore eliminating the need for a secondary road off the side street. They have established a good relationship with Ranc Management.

Janet Plarr spoke on behalf of two board members that could not be in attendance today; Jeff Brylski. Brylski was concerned about the labor being used in the construction phase of the project and requested they sign a Project Labor Agreement (PLA). The contract with the IDA does have a Local Labor Policy and this would be in addition to that policy. Hopkins stated they could not make a decision like that today.

Bob Reynolds stated the PLA ensures reasonable standards are used for open bids. It is estimated 171 temporary construction jobs will be created for the project.

After the construction phase is complete it is estimated 6 full time and 2 part time permanent jobs will be created thru management, facilities upkeep and administrative positions. This does not include various additional jobs that would be contracted out such as snow plowing.

Anthony Cutaia, stated the key to success of the project is the degree to which they manage the property.

The Town of Hamburg has an Affordable Housing Law, of the 152 units being built 15 will be available for low income individuals which is typically 20 % to 35% off the price. The projected price per unit is \$1,150 (1 bedroom) to \$1,800 (3 bedroom). There are fewer 2 and 3 bedroom units as occupancy in similar developments is typically 32% families.

Anthony Cutaia, stated industry standard is 48% customer renewal rate. His other properties currently average a 76% renewal rate.

Director Doyle stated; based on an economic growth perspective the following is an ongoing trend. The older demographic are selling their homes to get away from the issues with home ownership. They move into apartments like these with lots of amenities and a community feel. It opens up the housing market for younger families to purchase homes and can help deal with the lack of available housing. The end results in population and workforce growth.

Andy Palmer thanked Rane Management for looking at the property in Hamburg and all the planning meetings attended (12) to get the design approved by the Planning Board. It was approved by the Planning Board on March 20, 2019. Andy reiterated the fact that the property was not generating any revenue to the Town of Hamburg and now it is not only going back on the tax role but meets the Adaptive Reuse Policy.

The Board asked what the occupancy of Clifton Heights, another Rane Management Project in the Town of Hamburg. It is currently at 100% occupancy.

Director Doyle stated the implant economic analysis shows \$1.00 of incentive is generating \$3.10 investment into the local economy. He also stated the incentives do not apply to Special District Taxes. Those would be billed at 100%.

The Community Center (which includes the former school gym) in the new development will be for the residences of the Oaks at South Park as well as the residents of Hamburg. It will be the largest Community Center in a Rane Development, because of the reuse of the current building. The board also stated the Town of Hamburg Recreation Department should be contacted as potential user.

Anthony Cutaia, stated this will be one of their “premier facilities, nicer than Clifton Heights”.

Treasurer of the HIDA, Bob Reynolds, reiterated the numbers 3 million is the total abatement (over 8 years) which includes property tax, mortgage and sales tax abatement. Of the 3 million about 1.85 million is property tax abatement. The total project cost is approximately 28 million. The 7 year PILOT (payment in lieu of taxes) is broken down into 2 & 3 year increments;

Years 1 & 2 – 90% abatement
Years 3 & 4 – 80% abatement
Years 5, 6 & 7 – 70% abatement

The PILOT would go into effect after the construction phase is complete. Rane plans to complete the project by the fall of 2020.

Board asked Anthony Cutaia if he knew off hand the taxes on Clifton Heights. He stated, typically its \$2,000 per unit approximately \$300,000.

The board continued their discussion of signing a PLA with Rane Managment. The PLA does not add any additional cost to the project. It sets a fair bidding process.

Executive Director Doyle asked 3 times for any further comments from the public, none were stated. Public Hearing closed.

-Motion to move out of Public Hearing at 8:12am.

Moved: Norma Rusert-Kelly **Seconded:** Bob Reynolds
Ayes: Palmer, Moses, Hutchinson, Hall, Plarr, Rusert-Kelly, Reynolds
Nays: none
Carried:

-Motion to table the vote on the project until the June 25, 2019 Board of Director Meeting, giving Rane Management time to consider the PLA and clarify their procurement process.

Moved: Bob Reynolds **Seconded:** Bob Hutchinson
Ayes: Moses, Hutchinson, Hall, Plarr, Rusert-Kelly, Reynolds
Nays: none
Abstained: Palmer
Carried

- Motion to adjourn at 8:15am.

Moved: Bob Reynolds **Seconded:** Cam Hall
Ayes: Palmer, Moses, Hutchinson, Hall, Plarr, Rusert-Kelly, Reynolds
Nays: none
Carried

Sincerely,



Sean Doyle, Executive Director