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Hamburg Industrial Development Agency

Board of Directors Meeting Public Hearing – Betlem Associates, LLC June 25, 2019 Court Room - Blasdell Village Hall

Present

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

Excused

Wence Valentin
Jeff Brylski
Cam Hall

Executive Director

Sean Doyle

Guests

Jennifer Strong, Neill & Strong
Mary Doran, Hamburg Development Companies
Sean Hopkins, Attorney, Hopkins, Sorgi & Romanowksi
James Shaw, Supervisor
Luke Hammill, Hamburg Sun

- **Move** to open the meeting at 7:31am, Executive Director, Doyle.

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

- **Roll Call**

- **Motion** to open Public Hearing

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

-**Director Doyle stated the following;**

Betlem Associates, LLC - Request for Agency assistance for in the form of a lease only or lease with mortgage transaction in an amount not to exceed \$2,500,000. 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. Betlem Associates, LLC (the "Lessee") and Upstate Steel, Inc. (the "Sublessee") (collectively the "Applicants") request assistance in connection with the acquisition by the Lessee of an approximately 7.47 acre parcel of land and improvements located at 250 Lake Avenue in the Village of Blasdell, the renovation by the Lessee, as agent for the Agency, of an approximately 90,000 square foot manufacturing building thereon and the acquisition and installation of machinery, equipment, furnishings and fixtures required in connection therewith by the Sublessee, as agent for the Agency, all for a manufacturing and distribution facility for lease to the Agency and subsequent

sublease to the Lessee for sub-sublease to the Sublessee (the "Project"). The Project will allow the Sublessee to continue and grow its operations in New York State. The Project will be subleased to the Lessee for sub-sublease to the Sublessee which will be the sole occupant of the Project.

Doyle reiterated the following points to the board:

- Jobs will remain local, moving will allow the company to grow
- Investment; Acquisition \$845,000, Construction \$1,250,000, Soft Costs \$100,000, Equipment \$200,000
- Brownfield cleanup, renovation, occupation of vacant industrial site

Director Doyle opened the floor up for discussion:

Per Board member, Reynolds, the terms of PILOT were reviewed:

90% abatement first year

10 year PILOT

\$100,000 – total value of PILOT

Director Doyle asked for any further questions/comments (3 times) – none

-Motion to move out of Public Hearing at 7:41am.

Moved: Andy Palmer

Seconded: Janet Plarr

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

Nays: none

Carried:

-Motion to open Board Meeting at 7:42am

Moved: Bob Reynolds

Seconded: Bob Hutchinson

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

Nays: none

Carried

-Motion to approve the May 2019 Board Meeting and June 5th Public Hearing meeting minutes

Moved: Bob Reynolds

Seconded: Andy Palmer

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

Nays: none

Carried

-Bob Reynolds, Treasurer, gave a brief update on the finances:

- Next month will prepare a six month report
- HIDA is down funds but the HNYLDC is up in funds, due the land sale. The difference is (- \$13,000) however several new projects are in the works with administrative fees due shortly.
- Interest income steady

-**Motion** to approve the May 2019 Treasurer's Report

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

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

Nays: none

Carried

Executive Director Update:

-The Oaks at South Park, LLC – tabled after Public Hearing on June 5th, procurement questions. The board was concerned about labor, temporary jobs and job development. The Oaks at South Park submitted a letter to the HIDA explaining their participation in the Local Labor Policy. The letter also included a history of the contractors they routinely work with and their addresses. Norma, stated she was glad to see the letter of local contractors.

-The board was also concerned about The Affordable Housing Program. Hamburg is the only town in Erie County that has such a program. The Oaks at South Park, LLC has not yet decided how to divide the units (1, 2 or 3 bedroom) for the 15units designated for Affordable Housing. Per Sean Hopkins, they are typically 2 bedroom units. The board went over the procedure to apply for affordable housing and it is difficult if not impossible to know who will be applying for the units. The board wanted to make sure there are 3 bedroom apartments for potential family applicants, but there is no way to know who will be applying.

-Sean Hopkins, also stated other contractors have been known to use “cheaper” materials on the units designated as Affordable Housing. Hopkins assured the board they do not do that all the units are built with the same quality materials.

- Board reviewed some terms in the resolution for clarification – sales tax not to exceed \$875,000. If they need additional funds, they need to come back to the board for approval. If they go over the allotted dollar amount – section 18 of the Resolution explains how the funds are to be recovered.

-**Director Doyle read the following resolution:**

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”) AUTHORIZING THE OAKS AT SOUTH PARK LLC (THE “LESSEE”) TO ACQUIRE AN APPROXIMATELY 27 ACRE PARCEL OF LAND LOCATED AT 5138 SOUTH PARK AVENUE IN THE TOWN OF HAMBURG, FOR 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 THE INSTALLATION OF BASEBALL AND SOFTBALL FIELDS AND OTHER AMENITIES AND TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, AS AGENT FOR THE AGENCY, ALL FOR A RESIDENTIAL HOUSING COMPLEX WITH ADDITIONAL SERVICES (THE “PROJECT”). 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 AND TO TAKE OTHER PRELIMINARY ACTION.

-Motion to approve The Oaks at South Park Project as stated above

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

-Website is coming along, had a website committee meeting. I-Evolve is working on inputting pictures, captions and some final details before showing it to the Board.

-Marketing brochure is in rough draft form, should have something shortly to show the board.

-Video, still working on getting a 3rd estimate.

-July 2nd will be meeting with Senator Sean Ryan. Board is welcome to attend meeting. Spoke with Steve Savage from E-One. Will do a tour of the local manufacturing facility then meet back at the offices for lunch.

-The grand opening of the "Sharma Medical Facility/Campus" will be on July 18th it was a project completed with HIDA assistance. Sean extended the invitation to the entire board and will send a copy of the invite to everyone via email.

-Doyle discussed the memo received from the ABO (Authorities Budget Office) regarding IDA websites and what should be available to the public. HIDA has almost (90%) of the requirements covered except for listing existing projects, new applications and project status. Going forward HIDA will need to develop some procedures to list projects while at the same time excluding private data such as tax ID numbers, social security numbers, cell numbers etc.

- UTEP meeting is July 10th, Doyle will be attending. Bob Reynolds stated he would also try to attend.

-The Betlem project was discussed and it was agreed to table the vote on the Resolution until the Seqr portion of the application is completed or waived.

Director Doyle read the following Amendment to the Resolution for Farrell North:

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AMENDING IT'S INDUCMENT RESOLUTION ADOPTED AUGUST 15, 2017 AUTHORIZING FARRELL NORTH PROPERTIES, LLC, TO ACQUIRE A FIVE-TEN ACRE PARCEL OF LAND LOCATED ON BAYVIEW ROAD IN THE TOWN OF HAMBURG AND TO CONSTRUCT AN APPROXIMATELY 17,000 SQUARE FOOT BUILDING THEREON, TO SUBSTITUTE JAMESON REALTY, LLC (THE "LESSEE") AS AGENT FOR THE AGENCY FOR LEASE TO THE AGENCY AND SUBSEQUENT LEASEBACK TO THE LESSEE FOR SUB-SUBLEASE TO JAMESON ROOFING COMPANY, LLC (THE "SUBLESSEE") AND TO AUTHORIZE THE SUBLESSEE, AS AGENT FOR THE AGENCY, TO ACQUIRE AND INSTALL MACHINERY, EQUIPMENT, FURNISHINGS AND FIXTURES, FOR SALE TO THE SUBLESSEE PURSUANT TO AN INSTALLMENT SALE TRANSACTION AND TO TAKE OTHER PRELIMINARY ACTION.

The amended Resolution reflects a change in company name to Jameson Reality– no other changes were made to the original Resolution.

-Motion to approve the amended resolution as stated above

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

-Director Doyle turned the floor over to Supervisor Shaw

Supervisor Shaw spoke about the research going into the high vacancy rate of town commercial buildings and store fronts. They are suffering from the over building of big box stores. Commercial buildings are at a 28% vacancy rate. They are looking into programs other towns have used and are putting together a survey. They are not at a place yet to make recommendations.

The new Hamburg Development Companies website will be able to list the vacant commercial/store properties available.

-Board decided to move the Executive Session to the Hamburg Land Development Company Board meeting as to not hold up the presenters who arrived from LaBella to speak at the HNYLDC Board meeting.

- **Motion** to adjourn at 8:26am.

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

Sincerely,



Sean Doyle, Executive Director