



TOWN OF AMHERST  
INDUSTRIAL DEVELOPMENT AGENCY  
And  
TOWN OF AMHERST  
DEVELOPMENT CORPORATION

**2011 ANNUAL REPORT**  
(For purposes of Section 2800(2) of the Public Authorities Law)

## **Description of the Agency and Purposes of the Annual Report**

The Town of Amherst Industrial Development Agency (AIDA) is a not-for-profit, public benefit corporation that provides tax abatement, grant administration and other economic development services to the Town of Amherst. In accomplishing its mission, the AIDA does not receive any operational funding from Federal, State, County or local sources. Instead, the AIDA relies primarily upon administrative fees charged to those companies that its utilize products and services.

The Town of Amherst Industrial Development Agency has one other affiliated not-for-profit organization as follows:

- 1) **Town of Amherst Development Corporation (ADC)**-This is a lending corporation serving as a conduit for Federal, State, County or local grant funding.

Both the AIDA and ADC are related since they are managed by the same personnel. They share the same Board of Directors as their oversight body.

As a Public Authority, the AIDA and ADC are required to comply with New York State's Public Authorities Law. Under this Law, the AIDA and ADC are required to submit a comprehensive annual report that includes information on:

- Operations and accomplishments
- Revenues and expenses
- Assets and liabilities
- Bond and notes outstanding
- Compensation (for those earning \$100,000 +)
- Projects undertaken during the year
- Property held and property dispositions
- Code of Ethics
- An assessment of internal control structure and effectiveness

In compliance with the Public Authorities Law, the following required information is presented for the fiscal year ended December 31, 2011.

### **Operations and Accomplishments**

#### ***Operations:***

The Amherst IDA and the Amherst Development Corporation are managed by a 7 member Board of Directors appointed by the Amherst Town Board.

The mission of the Amherst Industrial Development Agency is to promote economic diversity and to broaden the tax base of the Town of Amherst in order to reduce the tax burden on homeowners, while helping to maintain and enhance a high quality living environment.

***2011 Accomplishments:***

- The AIDA approved 15 projects in 2011 totaling \$147,496,244 in private sector investment in the construction, renovation and equipping of 340,000 square feet. Upon completion of these projects, 193 new jobs will be created, 349 jobs retained and \$2,843,775 in new property taxes will be generated.
  
- Utilizing IMPLAN economic development software to determine multiplier effects in the region, 902 construction and supply jobs are supported, and \$77,326,368 in additional spending occurs due to construction and equipment investments. Expanded firms also contribute another \$54,398,380 in annual output to the regional economy.
  
- Six (6) redevelopment projects were approved in 2011, four (4) of which were in Town of Amherst designated Enhancement Areas. The AIDA has approved 49 projects totaling over \$170 million in new investment since 2000. These renovated, reused and expanded facilities will pay over \$13 million in additional property taxes over the course of their PILOT periods.
  
- As Amherst continues to mature, redeveloping its older commercial areas is vital to maintaining its high quality of life. This forms the basis for Amherst's Bicentennial Comprehensive Plan and the AIDA's redevelopment strategy. Redeveloping existing properties leverages greater use of public infrastructure and reduces pressures on further "Greenfield" development.
  
- **Traditional Neighborhood (TNB) Zoning**— In 2011, overlay meetings and zoning code language work focused on the "superblock" that encompasses the streets of Main-Kenmore-Niagara Falls Blvd-Eggert-Bailey. We await final approvals by the Town which is expected early in 2012. The overlay's intent is to encourage developers and property owners to undertake expansion and improvements of properties by removing outdated zoning restrictions associated with parking, building set-backs and the amount of a site a building can occupy.

In 2012 we anticipate collaborating with the Town on additional overlays in other areas such as Main-Harlem and Main-Kensington.

- **Industrial Commercial Incentive Board (ICIB)**- The ICIB completed its recommendations, which were adopted by the Town Board in October 2011. The year-long process evaluated the 485b Enhancement Areas, removing and adding properties primarily focused on sites south of Sheridan Drive and the I-290. The ICIB also concluded that 485b is only applicable in the designated areas and not town-wide for some uses. The three (3) school districts participated throughout the process in an effort to gain their support in opting into the program. The Village of Williamsville is also involved and is expected to include the entire Village as an eligible area.
- **Picture Main Street Plan** – The Village of Williamsville requested AIDA involvement in its planning effort to improve the Main Street corridor through infrastructure and other aesthetic improvements. The concept focuses on refining the Williamsville Community Plan resulting in actual construction plans by January 2013. The AIDA provided technical and financial support for the previously completed Williamsville Community Plan.

#### **Financial Information regarding the AIDA and the ADC**

The balance sheets and income statement of the AIDA and the ADC as of and for the fiscal years ended December 31, 2011 and 2010 are included as Appendix A.

The financial statements are audited on an annual basis, by AIDA's and ADC's external auditors Toski, Schafer & Co., PC. In their opinion, the financial statements present fairly, in all material aspects, the financial position of the AIDA and the ADC as of December 2011 and 2010, and changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Projects Undertaken by the AIDA during fiscal year 2011**

Appendix B lists the projects undertaken by the AIDA in fiscal year 2011.

#### **Schedule of Bonds and Notes Outstanding**

Appendix B1 summarizes the AIDA's bonds and notes outstanding at December 31, 2011. The indebtedness shown on this schedule is conduit debt and is *not* an obligation of the AIDA, Town of Amherst or New York State. The AIDA does not record assets or liabilities resulting from completed bond and note issues since its primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

### Projects Undertaken by the ADC during fiscal year 2011

Appendix C lists the projects undertaken by the Amherst Development Corporation in fiscal year 2011.

### Schedule of Bonds and Notes Outstanding

Appendix C1 summarizes the ADC's bonds and notes outstanding at December 31, 2011. The indebtedness shown on this schedule is conduit debt and is *not* an obligation of the ADC, Town of Amherst or New York State. The ADC does not record assets or liabilities resulting from completed bond and note issues since its primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

### Compensation Schedule

The following individuals had a salary exceeding \$100,000 during 2011:

<u>Name</u>	<u>Title</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
James J. Allen	Executive Director/ CEO/CFO	\$172,008	\$33,609	\$205,617

### Listing of certain Property of the Agency

The following is a listing of all real property owned by the AIDA having an estimated fair market value ("FMV") in excess of \$15,000 at the end of fiscal year 2011:

AIDA offices                      4287 Main Street, Amherst New York                      estimated FMV \$590,000

The AIDA and ADC do not intend to dispose of any real property with a FMV in excess of \$15,000.

The AIDA and ADC did not dispose of any real property with a FMV in excess of \$15,000 during 2011.

It should be noted that the above listing excludes the approximate 152 properties in which the AIDA has technical title in order to convey certain tax or other benefits. The property presented is that which AIDA has "real" beneficial ownership.

### Code of Ethics

The AIDA and ADC Code of Ethics policy is included as Appendix D.

**Assessment of the Effectiveness of Internal Control Structure and Procedures:**

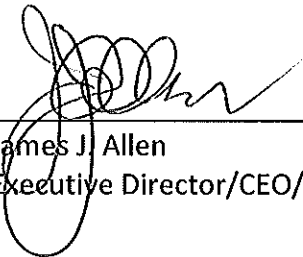
The Town of Amherst Industrial Development Agency and the Town of Amherst Development Corporation are audited by an external CPA firm on an annual basis. As part of their audit, the external auditors may review and test certain internal controls to provide evidence to support their opinion on the financial statements. Although no audit of Amherst IDA's internal controls has been performed, management has not been notified of any material internal control weaknesses resulting from the financial statement audit.

In addition, the Town of Amherst Industrial Development Agency and the Town of Amherst Development Corporation engage external law firms to ensure compliance with applicable laws, regulations, contracts, grants and policies.

**Certification Pursuant to Section 2800(3) of the Public Authorities Law**

Pursuant to Section 2800 (3) of the Public Authorities Law, the undersigned officer of the Town of Amherst Industrial Development Agency (AIDA) and the Town of Amherst Development Corporation (ADC) does hereby certify with respect to the attached annual financial report(s) that based on the officer's knowledge:

- 1) The information provided in the Annual Financial Report is accurate, correct and does not contain any untrue statement of material fact;
- 2) Does not omit any material fact which, if omitted, would cause the financial statements contained in the Annual Financial Report to be misleading in light of the circumstances under which such statements are made; and
- 3) Fairly presents in all material respects the financial condition and results of operations of the AIDA and ADC as of, and for the periods presented in such financial statements.



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James J. Allen  
Executive Director/CEO/CFO

## APPENDIX A



TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY  
 Statements of Net Assets  
 December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and equivalents	\$ 1,607,671	1,189,290
Prepaid insurance	4,988	4,609
Receivables:		
Accounts receivable	7,456	-
Grant receivable	<u>33,818</u>	<u>33,818</u>
Total receivables	<u>41,274</u>	<u>33,818</u>
Total current assets	<u>1,653,933</u>	<u>1,227,717</u>
Property and equipment at cost:		
Land	100,000	100,000
Leasehold improvements	18,709	18,709
Equipment	144,376	136,969
Building	<u>719,835</u>	<u>719,835</u>
	982,920	975,513
Less accumulated depreciation	<u>(250,684)</u>	<u>(218,302)</u>
Net property and equipment	<u>732,236</u>	<u>757,211</u>
Other assets - note receivable, related party	<u>50,000</u>	<u>50,000</u>
Restricted assets:		
Restricted for future industrial development loans	238,672	314,797
Cash restricted for mortgage escrow	<u>64,941</u>	<u>64,945</u>
Total restricted assets	<u>303,613</u>	<u>379,742</u>
Total assets	<u>\$ 2,739,782</u>	<u>2,414,670</u>

(Continued)

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY  
Statements of Net Assets, Continued

<u>Liabilities and Net Assets</u>	<u>2011</u>	<u>2010</u>
Current liabilities:		
Accounts payable	\$ 35,000	40,169
Due to U.S. Treasury Department	363	488
Current installments of mortgage payable	<u>35,074</u>	<u>33,036</u>
Total current liabilities	70,437	73,693
Mortgage payable, less current portion	<u>640,898</u>	<u>673,310</u>
Total liabilities	<u>711,335</u>	<u>747,003</u>
Net assets:		
Invested in capital assets, net of related debt	56,265	50,865
Restricted:		
Restricted for future industrial development loans	238,672	314,797
Restricted for mortgage escrow	<u>64,941</u>	<u>64,945</u>
Total restricted net assets	<u>303,613</u>	<u>379,742</u>
Unrestricted:		
Reserved for future investments	100,000	100,000
Unreserved	<u>1,568,569</u>	<u>1,137,060</u>
Total unrestricted net assets	<u>1,668,569</u>	<u>1,237,060</u>
Total net assets	<u>2,028,447</u>	<u>1,667,667</u>
Commitment and contingencies (note 8)		
Total liabilities and net assets	<u>\$ 2,739,782</u>	<u>2,414,670</u>

TOWN OF AMHERST  
DEVELOPMENT CORPORATION  
Statements of Financial Position  
December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current assets:		
Cash	\$ 7,271	7,296
Current portion of note receivable	<u>15,703</u>	<u>15,547</u>
Total current assets	<u>22,974</u>	<u>22,843</u>
Note receivable, less current portion	76,930	92,476
Investments, at fair value	<u>25,000</u>	<u>25,000</u>
Total assets	<u>\$ 124,904</u>	<u>140,319</u>
<u>Liabilities and Net Assets (Deficit)</u>		
Current liabilities - current portion of note payable	15,703	15,547
Note payable - related party	50,000	50,000
Note payable, less current portion	<u>76,930</u>	<u>92,476</u>
Total liabilities	142,633	158,023
Unrestricted net assets (deficit)	<u>(17,729)</u>	<u>(17,704)</u>
Total liabilities and net assets (deficit)	<u>\$ 124,904</u>	<u>140,319</u>

TOWN OF AMHERST  
DEVELOPMENT CORPORATION  
Statements of Revenue, Expenses and Changes in Net Assets (Deficit)  
Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenue:		
Administrative fees	\$ 40,950	477,475
Interest income	<u>          -</u>	<u>          1</u>
Total operating revenue	<u>40,950</u>	<u>477,476</u>
Operating expenses:		
Transfer to Amherst Industrial Development Agency	40,950	477,475
Management and general	<u>          25</u>	<u>          25</u>
Total operating expenses	<u>40,975</u>	<u>477,500</u>
Decrease in net assets	(25)	(24)
Net assets (deficit) at beginning of year	<u>(17,704)</u>	<u>(17,680)</u>
Net assets (deficit) at end of year	<u>\$ (17,729)</u>	<u>(17,704)</u>

## APPENDIX B

## TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

Schedule of Detailed Financing Activity  
Year ended December 31, 2011

	<u>Date issued</u>	<u>Basis for computing administrative fees</u>
<b>Lease agreements:</b>		
Bryant & Stratton College	3/10	\$ 5,552,948
Northtown Auto. Co. (3845 and 3860 Sheridan Drive)	5/10	7,902,082
Iskalo Dev. (5727 Main)	11/10	1,192,000
SB Holdings, LLC	5/11	1,300,000
Prime Wines Corp.	8/11	8,883,270
Iskalo Dev. Corp. - 5000 Main Street	9/11	<u>3,500,000</u>
		<u>28,330,300</u>
<b>Second Mortgage Transaction:</b>		
500 Corporate Parkway	2/11	2,372,551
2250 Wehrle Drive	5/11	<u>500,000</u>
		<u>2,872,551</u>
<b>Third Mortgage Transaction:</b>		
3500 Sheridan, LLC	6/11	<u>700,000</u>
<b>Installment sales:</b>		
M&T Bank Data Center - FFE	7/11	20,000,000
M&T Bank Data Center - Tech.	7/11	<u>8,500,000</u>
		<u>28,500,000</u>
<b>Refinancing Transaction:</b>		
2011 Iskalo Asset Fund II, LLC (5839 Main)	8/11	373,496
Sachel, LLC	9/11	<u>109,054</u>
		<u>482,550</u>
<b>Projects with predetermined fees - HSBC Technology &amp; Service (USA), Inc. \$866,686,576 - 2007 project to be conducted over a period not to exceed 15 years. Commencing 2008. Annual fee to Agency was \$150,000. The lease was terminated during 2011.</b>		
Total 2011 Projects		<u>\$ 60,885,401</u>

## APPENDIX B1

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

12/31/2011

PROJECT NAME	Date of	Interest	Outstanding at	Issued	Paid	Outstanding at	Maturity
	Issue	Rate	1/1/2011	2011	2011	12/31/2011	Date
300 International Drive, Inc.	October-95	6.53%	725,959	-	725,959	-	March-16
6363 Main Street, Inc.	November-94	8.67%	10,567,330	-	937,423	9,629,907	December-19
Asbury Pointe, Inc.	March-99	5.40%	11,930,000	-	11,930,000	-	March-29
Asbury Pointe, Inc.-Phase II	February-04	6.00%	3,100,000	-	3,100,000	-	March-33
Beechwood Health Care Center	January-07	5.20%	13,705,000	-	495,000	13,210,000	December-36
BSS Realty, LLC	January-00	6.61%	347,442	-	71,898	275,544	April-15
Elderwood Associates	May-93	7.81%	444,227	-	444,227	-	June-18
UBF Creekside Village	January-02	4.91%	12,221,078	-	324,280	11,896,798	March-32
UBFSA	April-02	5.50%	3,735,000	-	385,000	3,350,000	April-27
West College Park Associates, LLC	June-97	6.93%	7,313,671	-	1,319,539	5,994,132	May-17
			<u>\$ 64,089,707</u>	<u>\$ -</u>	<u>\$ 19,733,326</u>	<u>\$ 44,356,381</u>	



## APPENDIX C

**Amherst Development Corporation**

	<b>Date Issued</b>	<b>Basis for Computing Admin. Fee</b>	<b>Status</b>
<b>Tax-Exempt Bond Issue</b>			
Asbury Pointe, Inc.	11/11	\$ 7,790,000.00	Closed
YMCA Buffalo Niagara	11/11	\$18,000,000.00	Closed

## APPENDIX C1

TOWN OF AMHERST DEVELOPMENT CORPORATION

12/31/2011'

<u>PROJECT NAME</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Outstanding at 1/1/2011</u>	<u>Issued 2011</u>	<u>Paid 2011</u>	<u>Outstanding at 12/31/2011</u>	<u>Maturity Date</u>
UBF Faculty Student Housing Corp - Hadley/Griener	May-10	4.67%	82,599,522	-	811,974	81,787,548	June-30
UBF Faculty Student Housing Corp - South Lake Village	August-10	3.92%/4.67%	23,975,000	-	465,000	23,510,000	September-30
Menorah Campus, Inc.	October-10	3.16%	12,530,000	-	470,000	12,060,000	November-25
Asbury Pointe, Inc.	December-11	Variable	-	7,990,000	-	7,990,000	February-35
YMCA Buffalo Niagara	December-11	Variable	-	18,000,000	-	18,000,000	June-33
			<u>\$ 119,104,522</u>	<u>\$ 25,990,000</u>	<u>\$ 1,746,974</u>	<u>\$ 143,347,548</u>	

## APPENDIX D

Adopted April 20, 2007

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY  
CODE OF ETHICS

Statement of Purpose:

The Code of Ethics is a public statement by the Agency that sets clear expectations and principles to guide practice and inspire professional excellence. The Agency believes a commonly held set of principles can assist in the individual exercise of professional judgment. This Code speaks to the core values of public accountability and transparency. The purpose of having a code of ethics and practices is to protect the credibility of the Agency by ensuring high standards of honesty, integrity, and conduct of staff. To that end, this Code of Ethics attempts to accomplish this by articulating the ethical standards observed by the Agency in pursuing and implementing economic development initiatives, and setting rules and policies that prevent conflicts of interest.

Rule with respect to conflicts of interest:

No officer, member of the board or employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her or her duties in the public interest.

Standards:

- a. No officer, member of the board or employee should accept other employment which will impair his or her or her independence of judgment in the exercise of his or her or her official duties.
- b. No officer, member of the board or employee should accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.
- c. No officer, member of the board or employee should disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.
- d. No officer, member of the board or employee should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others.
- e. No officer, member of the board or employee should engage in any transaction as representative or agent of the Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.
- f. An officer, member of the board or employee should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her, unduly

enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

g. An officer or employee should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her, or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

h. An officer or employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

i. No officer or employee employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer, member of the board or employee, should sell goods or services to any person, firm, corporation or association which receive financial assistance from the Agency.

j. If an officer or employee shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity which is the subject of an Agency Project (as such term is defined in Article 18-A of the General Municipal Law, he or she must file with Agency a written statement that he or she has such a financial interest in such activity which statement shall be open to public inspection.

k. No officer, member of the board or employee of shall accept or arrange for any loan or extension of credit from the Agency or any affiliate of the Agency.

#### Violations:

In addition to any penalty contained in any other provision of law any such officer, member of the board or employee who shall knowingly and intentionally violate any of the provisions of this Code of Ethics may be fined, suspended or removed from office or employment in the manner provided by law.