

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Agenda – 550th Meeting
Friday, September 20, 2024-8:30 am

James J. Allen Boardroom
Agency Offices – 4287 Main Street, Amherst, NY 14226

1. Roll Call of Members
2. Reading and Approval of Minutes
3. Bills & Communications
4. Treasurer's Report
5. Public Comment
 - I. Speakers Limited to Three (3) Minutes
6. Executive Director's Report
7. Committee Reports
8. Unfinished Business
 - I. Iskalo Development – 26 West Spring Street
Amendment Request
 - II. New Road Solar 1, LLC – Ownership Change
9. New Business
10. Adjournment

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Minutes of the 548th Meeting
Friday, July 19, 2024 – 8:30 am
James J. Allen Boardroom
Agency Offices, 4287 Main Street

PRESENT: Carlton N. Brock, Jr.
William Tuyn
Frank LoTempio, III
Nicole Gavigan
David S. Mingoia, Executive Director
Kevin J. Zanner, Hurwitz & Fine PC

GUESTS : AIDA Staff
David Tytka, Uniland Development
Sean Hopkins

EXCUSED: Anthony Agostino
Hadar Borden
Hon. Timothy Drury

Chairman Carlton Brock called the meeting to order and reminded everyone the meeting was being video recorded and live-streamed.

MINUTES

Upon a motion by Frank LoTempio, seconded by William Tuyn and unanimously carried, the minutes of the June 2024 meeting were approved as presented.

Chairman Brock requested that New Business be conducted out of order and moved up the agenda in order to accommodate his anticipated early departure from the meeting.

The board of directors unanimously agreed to this request.

NEW BUSINESS

I. AUTHORIZATION RESOLUTIONS

Iskalo Spring Street, LLC – 26-28 W. Spring St.- The project applicant proposed to adaptively reuse an existing vacant 11,200 square feet office building into eight apartments and begin improving that section of the West Spring Street neighborhood. A portion of the building was constructed in 1976 with an addition added in 1980 by Scipar, a company focused on hydroelectric control systems. The business shrunk over the years and sold the property to Iskalo in 2019 where it only occupied a small portion of the building. The project resides in a

Village of Williamsville Enhancement Area designated for redevelopment of obsolete and underutilized parcels.

The layout, outdated condition and overall obsolescence along with current market conditions eliminate the ability of the property to be backfilled by an office tenant. Iskalo is seeking incentives to offset the considerable cost of conversion to multifamily use and expects this project to catalyze redevelopment of the historic property located at 34 West Spring Street. The applicant provided a detailed presentation indicating the gap in what can be generated in revenues on the project over the high cost of development. Renovation costs approximate \$316,000 per unit while the overall economics of the project support roughly \$271,000.

Executive Director Mingoia presented the board with a detailed Project Profile and Cost Benefit Analysis associated with this project.

Frank LoTempio made a motion to approve the project. William Tuyn seconded the motion. After a brief discussion, votes to approve the Iskalo Spring Street, LLC project were cast by Brock, Tuyn, LoTempio and Gavigan. The motion to approve passed by a vote of 4-0.

Sawyers Landing LLC – 50 Dodge Road- The applicant is seeking AIDA assistance for development of approximately 5 acres of a larger 18-acre parcel to construct a mixed-use development consisting of 146 residential units and 27,470 square feet of commercial space. Residential units are spread across two proposed 4-story buildings and adjacent 2-story attached units. The project includes a workforce housing component consisting of 20% of the units that will be leased at 80% of area median income (AMI) and consist of a combination of studio, one bedroom and three-bedroom units. The entire 18-acre site is currently paying \$20,671 in annual town, county & school taxes. AIDA benefits are limited to the construction of the project and will not include equipping and build out of the commercial space.

The project includes offsite improvements including the extension of the recreational trail that will cross the entire Muir Woods property and a connection to the Town's recreational trails across Dodge Road. This investment, along with topography and soil conditions add an additional \$3.2 million to the project and impact feasibility. In addition, the development has the potential to make positive impact on the underutilized and vacant office space adjacent and near the property. The applicant states that Agency assistance is necessary to complete the project due to adherence to the site development, material and labor increases, and higher cost lending requirements. The Reasonableness Assessment prepared by Camoin Associates notes the low return on investment even with the project incentives. Additionally, the requested assistance will enable the applicant to include the requested 33 workforce housing units.

Executive Director Mingoia presented the board with a detailed Project Profile and Cost Benefit Analysis associated with this project.

Frank LoTempio made a motion to approve the project. William Tuyn seconded the motion. After a brief discussion, votes to approve the Sawyers Landing, LLC project were cast by Brock, Tuyn, LoTempio and Gavigan. The motion to approve passed by a vote of 4-0.

BILLS & COMMUNICATIONS

There were no Bills & Communications presented at this meeting.

TREASURER'S REPORT

Executive Director Mingoia reviewed the highlights of the Treasurer's Report for June 2024.

Upon a motion by Frank LoTempio, seconded by William Tuyn and unanimously carried, the Treasurer's Report for June 2024 was approved as presented.

PUBLIC COMMENT

There was no Public Comment at this meeting.

EXECUTIVE DIRECTOR'S REPORT

David Mingoia presented the Executive Director's Report.

COMMITTEE REPORTS

There were no Committee Reports for this meeting.

UNFINISHED BUSINESS

There was no Unfinished Business presented at this meeting.

8:46 am – Frank LoTempio made a motion to adjourn the meeting. William Tuyn second the motion. The motion to adjourn was passed unanimously.



July 29, 2024

Mr. David S. Mingoia
Executive Director
Amherst Industrial Development Agency
5166 Main Street
Amherst NY 14226

Re: 26 West Spring Street Adaptive Re-use Project

Dear David:

We are in receipt of the Authorization Resolution and Project Agreement following the Board meeting on July 19th. In review of these documents, I became aware that an error was made in the application submitted for the Project that understated the materials portion of the anticipated construction cost. As a result, the estimated sales tax exemption amount set forth in the Authorization Resolution and Project Agreement is also understated.

The construction amount for the Project set forth in the application is \$1,250,000. For an adaptive re-use project involving conversion to multi-family, it would be customary to have applied a 50/50 breakdown to the construction budget for allocation between labor and materials (vs. say, 60/40 labor and materials for a warehouse project). The proformas we prepared for the 26 W Spring Street project that were used in preparing the presentation submitted with our application utilized the 50/50 breakdown which resulted in a \$625,000 allocation for construction materials and \$54,687 for estimated sales tax exemption. However, the construction materials figure used in the application, \$388,320 (31%) is an errantly low amount which resulted in an equally low sales tax exemption estimate of \$33,978.

We regret making this error and ask that the Board's consideration in amending the Authorization Resolution and Project Agreement at their next meeting such that the anticipated materials portion of the construction is \$625,000 which, if exempt from sales tax, would provide an exemption not to exceed \$54,687. We also ask for your guidance on how to proceed with the Project Authorization and Project Agreement that are in hand. As we understand the Board may not meet again until September, we do not wish to risk expiration of the inducement. Please advise at your earliest convenience.

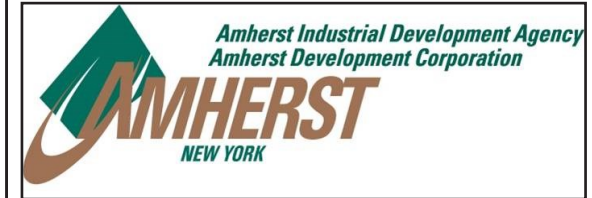
Sincerely,

ISKALO DEVELOPMENT CORP.


David Chiazza
Executive Vice President

CC: Sean W. Hopkins, Esq.

PROJECT PROFILE:
26 WEST SPRING STREET ADAPTIVE REUSE
\$2,481,868
September 20, 2024



ELIGIBILITY

- Commercial Project under NYS Law
- Eligible Project Under Countywide Eligibility Policy

COMPANY INCENTIVES (EST.)

- Property Tax = \$347,286
- Sales Tax = \$54,687
- Mortgage Tax = \$15,000

PROJECT BENEFITS (EST.)

- Property Taxes = \$103,488
- Income Taxes = \$66,413
- Sales Taxes = \$34,341

EMPLOYMENT

- 8 Construction and Supply Related Jobs Created
- 1 Full-Time Indirect Positions Created from Household Spending

PROJECT SCHEDULE (EST.)

- Work begins August 2024
- Completion April 2025

Project Address:

26 West Spring Street
 Williamsville, New York 14221
 (Williamsville School District)

Investment:

Acquisition: \$898,684
 Construction: \$1,250,000
 Soft/Other Costs: \$333,184



Company Description:

The applicant is an affiliate of Iskalo Development Corporation (Iskalo), a Williamsville based commercial real estate development company that celebrated its 35th year in business in 2023. Iskalo, which is solely owned by Paul B. Iskalo, is a fully integrated real estate venture investing in hospitality, light industrial, corporate and medical office, retail and multi-family. The company has substantial investments in Amherst and Williamsville.

Project Description:

The applicant proposes to adaptively reuse an existing vacant 11,200 square foot office building into eight apartments and begin improving that section of the West Spring Street neighborhood. A portion of the building was constructed in 1976 with an addition added in 1980 by Scipar, a company focused on hydroelectric control systems. The business shrunk over the years and sold the property to Iskalo in 2019 where it only occupied a small portion of the building. The project resides in a Village of Williamsville Enhancement Area designated for redevelopment of obsolete and underutilized parcels.

The layout, outdated condition and overall obsolescence along with current market conditions eliminate the ability of the property to be backfilled by an office tenant. Iskalo is seeking incentives to offset the considerable cost of conversion to multifamily use and expects this project to catalyze redevelopment of the historic property located at 34 West Spring Street. The applicant provided a detailed presentation indicating the gap in what can be generated in revenues on the project over the high cost of development. Renovation costs approximate \$316,000 per unit while the overall economics of the project support roughly \$271,000.

**PROJECT PROFILE:
26 WEST SPRING STREET ADAPTIVE
REUSE
\$2,481,868**

AIDA COMPANY HISTORY:

Numerous

MATERIAL TERMS:

1. Investment of not less than \$2,109,587 at the project location as noted in the application.
2. Compliance with the Agency’s Local Labor Policy in connection with the construction of the Project.
3. The Company obtaining the necessary building permits for the redevelopment of the commercial building located at 34 W. Spring Street and the vacant property at 42 W. Spring Street no later than prior to the beginning of the sixth (6th) year of the PILOT schedule.

AIDA Project Evaluation Criteria - Neighborhood Redevelopment

Distressed Census Tracts	No
Designated Enhancement Area	Yes
Age of Structure	1973 with an addition in 1980
Building Vacancy	2023 but the building has been mostly vacant for nearly 4-years
Redevelopment Supports Local Community Development Plan	The project location is a Village of Williamsville designated Enhancement Area and received Site Plan approval and a Certificate of Appropriateness from the Village Historic Preservation Committee
Environmental or Safety Issues	The project seeks to improve pedestrian safety by installing sidewalks, site lighting, landscaping and drainage.
LEED/Renewal Resources	None
Building has Historic Designation	The adjacent property is historically designated and this project seeks to catalyze its development.
Site or Structure has Delinquent Property or Other Local Taxes	No
Impediments to Conventionally Finance Project	Lending Requirements are more stringent, such as increased equity, along with interest rates not seen in decades
Transit Oriented Development	The project location is a block from Main Street which has several transit stops.
Increased Property Value	The project preserves the existing taxes on the building and provides additional revenue over the 10-year PILOT
Provides Workforce and/or Affordable Housing	None included due to the size of the project (8 total units) and financial feasibility to adaptively reuse the existing structure.

Town of Amherst Industrial Development Agency

MRB Cost Benefit Calculator



Date: September 10, 2024
 Project Title: 26 West Spring Street Adaptive Reuse
 Project Location: 26 West Spring Street, 14221

Economic Impacts

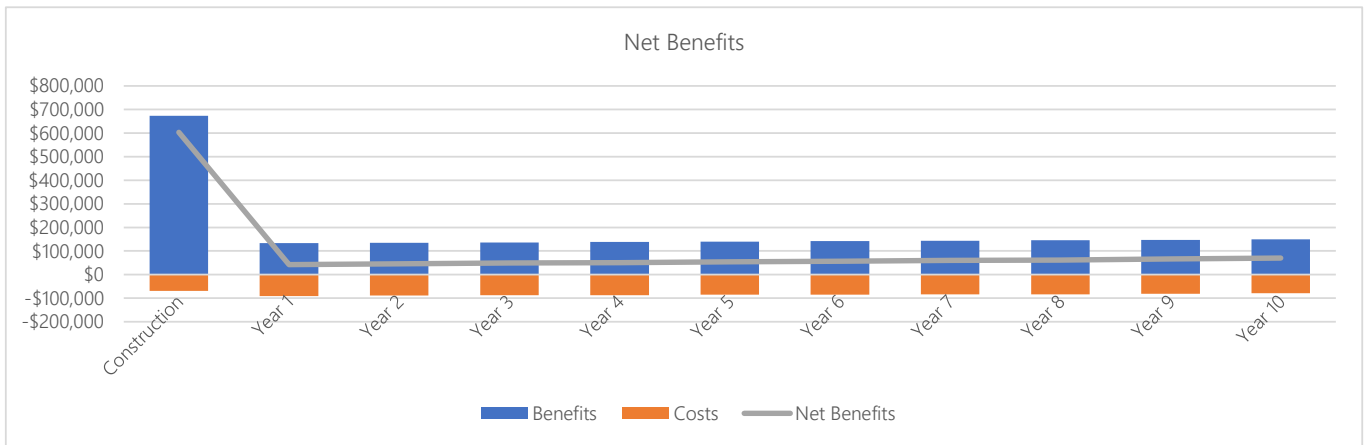
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$2,481,868

	Temporary (Construction)		
	Direct	Indirect	Total
Jobs	6	2	8
Earnings	\$520,157	\$114,483	\$634,641
Local Spend	\$1,350,000	\$309,473	\$1,659,473

	Ongoing (Operations)		
	Direct	Indirect	Total
Jobs	1	0	2
Earnings	\$608,557	\$232,635	\$841,192

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

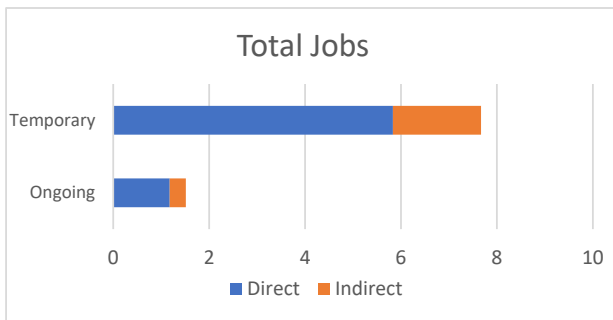
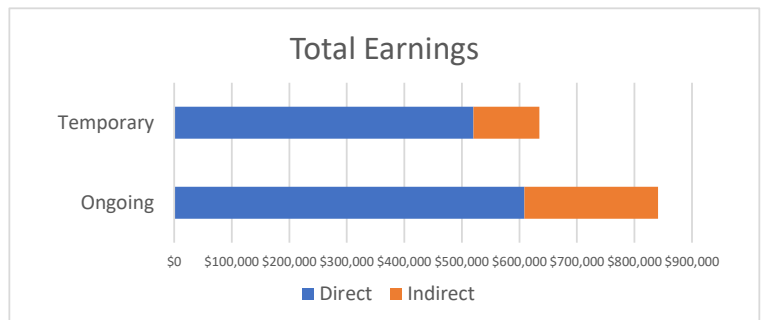


Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$852,486	\$767,389
Sales Tax Exemption	\$54,687	\$54,687
Local Sales Tax Exemption	\$29,687	\$29,687
State Sales Tax Exemption	\$25,000	\$25,000
Mortgage Recording Tax Exemption	\$15,000	\$15,000
Local Mortgage Recording Tax Exemption	\$5,000	\$5,000
State Mortgage Recording Tax Exemption	\$10,000	\$10,000
Total Costs	\$922,173	\$837,076

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$2,103,163	\$1,950,179
To Private Individuals	\$1,475,832	\$1,387,813
Temporary Payroll	\$634,641	\$634,641
Ongoing Payroll	\$841,192	\$753,172
Other Payments to Private Individuals	\$0	\$0
To the Public	\$627,331	\$562,366
Increase in Property Tax Revenue	\$103,488	\$91,322
Temporary Jobs - Sales Tax Revenue	\$5,275	\$5,275
Ongoing Jobs - Sales Tax Revenue	\$13,367	\$11,968
Other Local Municipal Revenue	\$505,200	\$453,800
State Benefits	\$82,111	\$76,973
To the Public	\$82,111	\$76,973
Temporary Income Tax Revenue	\$28,559	\$28,559
Ongoing Income Tax Revenue	\$37,854	\$33,893
Temporary Jobs - Sales Tax Revenue	\$4,442	\$4,442
Ongoing Jobs - Sales Tax Revenue	\$11,257	\$10,079
Total Benefits to State & Region	\$2,185,274	\$2,027,152

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$1,950,179	\$802,077	2:1
State	\$76,973	\$35,000	2:1
Grand Total	\$2,027,152	\$837,076	2:1

*Discounted at 2%

Additional Comments from IDA

Prepared by DM

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

**AMENDATORY RESOLUTION OF THE TOWN OF
AMHERST INDUSTRIAL DEVELOPMENT AGENCY
RELATING TO THE ISKALO SPRING STREET LLC
PROJECT.**

WHEREAS, the Town of Amherst Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Section 914-a of the General Municipal Law, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, by inducement resolution dated July 19, 2024 (the “Inducement Resolution”), the Agency approved an application for financial assistance (“Application”) of Iskalo Spring Street LLC (the “Company”) to undertake a certain project (the “Project”) consisting of: (i) the acquisition of a leasehold interest in certain property located at 26 W. Spring Street and a portion of 34 W. Spring Street in the Village of Williamsville, New York (SBL Nos. 80.08-1-8.1 and a portion of 80.08-1-8.2) (the “Premises”); (ii) the adaptive reuse of an approximately 11,200 square foot vacant, outdated office building for conversion to multi-family use totaling 8 units and related site improvements (collectively, the “Improvements”); and (iii) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property (the “Equipment”); and

WHEREAS, pursuant to the Inducement Resolution, the Agency previously authorized a sales and use tax exemption for eligible purchases in an amount up to \$388,320.00, which would provide an exemption from sales and use taxes of up to \$33,978.00; and

WHEREAS, by letter dated July 29, 2024, the Company informed the Agency that an error had been made in the Company’s application with respect to its calculation of the dollar amount of sales taxable purchases to be made for the Project, and the Company requested that the Agency modify the Inducement Resolution to increase the sales and use tax exemption benefit for eligible purchases in an amount up to \$625,000.00, which would provide an exemption from sales and use taxes of up to \$54,688.50; and

WHEREAS, the Agency desires to adopt this amendatory resolution to modify the Inducement Resolution.

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

1. Based on the representations made by the Company in its July 29th letter to the Agency, the Agency hereby approves the requested increase in the exemption from sales and use taxes for building materials and machinery, equipment, fixtures and furnishings purchased

for incorporation into or use at the Project location having a total cost not to exceed \$625,000.00.

2. Except as amended by this Amendatory Resolution, the terms of the Inducement Resolution are unchanged and remain in full force and effect.
3. This Amendatory Resolution shall take effect immediately.

DATED: September 20, 2024

COUCH WHITE^{LLP}

JOSHUA A. SABO, ESQ.

jsabo@couchwhite.com 518.320.3443 **direct** 518.426.0376 **fax**

August 29, 2024

Via First Class Mail

David Mingoa
Executive Director
Town of Amherst Industrial Development Agency
4287 Main Street
Amherst, New York 14226

Re: New Road Solar, LLC and Town of Amherst IDA

Dear Mr. Mingoa:

We are local counsel to Generate Capital and its subsidiaries (“Generate”). Generate has recently acquired all of the membership interests in New Road Solar 1, LLC, (“New Road”) the former subsidiary of Sol Source Power, LLC. (“Sol Source”).

Generate raised \$1.5 Billion in capital earlier this year to continue developing and operating energy and other infrastructure projects predominately in the renewable sector. Since I joined Couch White in 2020, we have worked with Generate to successfully acquire, develop and operate over fifty (50) community solar projects throughout New York State. Generate’s contact representative for the New Road Project is:

Bethel Gashaw
Generate
560 Davis Street, Suite 250
San Francisco, CA 94111
+1- (415) 360-3063 #319 (mobile)
bethel.gashaw@generatecapital.com

Please be advised that New Road has obtained the requisite special use permit from the Town. The Host Community Agreement is in an agreed upon form but has not yet been fully executed by the parties. We are confirming that the anticipated project costs are the same as those costs described in New Road’s application to the Town of Amherst Industrial Development Agency (“IDA”). We anticipate construction of the Project to begin in March of 2025 and be completed in December of 2025. It is our intention to file the RP-487 after the project is completed and begin receiving PILOT benefits in lieu of the school tax bill payable in September of 2026. The MIPA between Sol Source and Generate is being redacted and will be provided under separate cover.

August 29, 2024
Page 2

Thank you for your consideration of the change of control of New Road as it pertains to the pending application before the IDA. Please feel free to contact me with any additional questions or concerns.

Very truly yours,

Joshua A. Sabo

Joshua A. Sabo, Esq.
Partner

JAS/kem

**RESOLUTION OF THE TOWN OF AMHERST INDUSTRIAL
DEVELOPMENT AGENCY RELATING TO THE NEW ROAD
SOLAR 1, LLC PROJECT.**

WHEREAS, the Town of Amherst Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Section 914-a of the General Municipal Law, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, by inducement resolution dated December 15, 2023 (the “Inducement Resolution”), the Agency approved an application for financial assistance (“Application”) of New Road Solar 1, LLC (the “Company”) to undertake a certain project (the “Project”) consisting of: (i) the acquisition of a leasehold interest in certain property located at 800 New Road in the Town of Amherst, New York (SBL Nos. 16.00-2-14.1 and 16.00-2-14.2) (the “Premises”); (ii) the construction and equipping of an approximately 5.0 megawatt (MW) AC ground mounted, utility grade community solar electric generating facility and related improvements (collectively, the “Improvements”); and (iii) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property (the “Equipment”); and

WHEREAS, the Company’s Application was submitted by Sol Source Power, LLC as owner of the Company; and

WHEREAS, the Company informed the Agency that Generate Capital recently acquired all the ownership interests of the Company pursuant to a certain membership interest purchase agreement between Sol Source Power LLC and Generate Capital, and that it wishes to proceed with the Project as previously authorized by the Agency; and

WHEREAS, by letter dated August 29, 2024, counsel for Generate Capital confirmed that the project costs as identified by the Company in the Application have not changed; and

WHEREAS, there will be no change in the real property and sales and use tax incentives that were requested by the Company and approved by the Agency as described in the Inducement Resolution; and

WHEREAS, the Company has requested that the Agency consent to the ownership change and to proceed with the Project.

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

Section 1. Based upon the representations made by the Company, the Agency hereby consents to the change of ownership of the Company from Sol Source Power, LLC to Generate Capital and to permit the Company to proceed with the Project, subject to the terms and conditions set forth in this resolution.

Section 2. The Agency's consent hereunder is subject to payment by the Company of all costs and fees of the Agency in connection with review, consideration and approval of the ownership change.

Section 3. The Chairman, Vice Chairman, Executive Director, Secretary, Treasurer, or Assistant Secretary are each hereby authorized on behalf of the Agency to execute and deliver any documents and agreements necessary to effectuate the purpose and intent of this resolution.

Section 4. Except as expressly modified by this resolution, the Inducement Resolution is unchanged and is hereby ratified, confirmed in all respects.

Section 5. This resolution shall take effect immediately.

Dated: September 20, 2024