

# Hamburg Industrial Development Agency Board of Directors Meeting MEETING AGENDA Wednesday, October 19, 2022, 7:30 AM Blasdell Village Hall, Court Room, 121 Miriam Avenue, Blasdell, New York

Join Zoom Meeting https://us02web.zoom.us/j/82566311714?pwd=UFpUUGZCTjBSd0VORGI2TkNaRmZTdz09 Meeting ID: 825 6631 1714 Passcode: 14075

- 1. Roll Call
- 2. Reading and Approval of September 2022 Minutes
- 3. Report of the Treasurer September Treasurer Report
- 4. Executive Director Update

#### **New Business**

- Project Extension Iskalo 17 Long, LLC
- Project Extension, KCE NY6, LLC
- · Pitch Hamburg Request

#### **Unfinished Business**

- 5. Privilege of the Floor
- 6. Executive Session
- 7. Adjournment

Next meeting: November 16, 2022, 7:30 AM Blasdell Village Hall



Unapproved/draft
(BOD motion for approval at 10/19/22 meeting)

6122 South Park Avenue Hamburg, New York 14075 716.648.4145 www.HamburgIDA.com

#### Hamburg Industrial Development Agency Board of Directors Meeting September 21, 2022, 7:30am Blasdell Village Hall

**Present** 

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

Jamel Perkins

Excused

Wence Valentin Bob Reynolds Guests

Jennifer Strong, Neill & Strong

Mary Doran, HIDA

Annamaria Masucci, Pitch Hamburg Francesca Bond, Hamburg Sun (zoom)

**Executive Director** 

Sean Doyle

-Roll Call

-Motion to open the board meeting at 7:34am.

Moved: Tom Moses Seconded: Janet Plarr

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

Nays: none *Carried* 

-Motion to approve the August 2022 board meeting minutes

Moved: Cam Hall Seconded: Andy Palmer

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

Nays: none Carried

In Treasurer Bob Reynolds absence Doyle gave an update on the financials. He began by noting the recent events at the Southtowns Regional Chamber of Commerce of alleged embezzlement and the termination of their Executive Director. He is on the Chamber board and talked about the safeguards they are implementing, such as the treasurer not only looking at the financial reports but also the bank statements. Doyle stated the HIDA does a good job and has measures in place; two signers on all checks, annual audit, and no credit or debit cards. Janet Plarr stated the Audit Committee should be meeting quarterly to review financials. Doyle agreed it was a good idea and will implement.

This month interest income was \$352.93, expenses totaled \$17,571.33 and the balance on the accounts is \$962,065.92. Additionally, Key Energy closed at the beginning of September the administrative income will be reflected in next months report.

-Motion to approve the August 2022 Treasurer Report

Moved: Cam Hall Seconded: Andy Palmer

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

Nays: none *Carried* 

#### **Executive Director Update:**

- -Key Energy (Blasdell Battery Project) closed, project fees will be reflected in the September financials.
- -Johnsons Brewhouse is moving forward, could possibly close before the end of the year.
- -K&H is on the agenda today requesting extensions on both of their projects; new build & expansion.
- -The 290 Lake Street project has a new purchaser, will wait and see what develops.
- South Park and Sowles multi-family/reuse project is moving along. Director Doyle is meeting later today regarding the reuse of the building at the site for medical purposes. The workforce opportunity with Hilbert College would be big plus as well as a facility of this type in the southtowns.
- -CARES Grant update the HDC has approved 7 applicants for a total of \$378,000 with a balance of \$22,000 yet to be granted. Doyle stated \$378,000 has been granted however the investment in the community is double that figure based on job creation etc.
- -September 28<sup>th</sup> is the joint event between the Hamburg Development Companies and the Southtowns Regional Chamber of commerce at the Lodge at Woodlawn Beach.
- -The grand opening the Pitch Hamburg was held in August and well attended.
- -Designation as a HUB Zone Doyle is working to see if there are enough projects to qualify as a HUB zone.
- -Next meeting is October 19, 2022.

#### **New Business**

Staub Three, LLC (new building) is requesting an extension due to contractor availability and material lead times that are pushing the project well into 2023. They are currently planning on breaking ground in the first quarter of 2023 with completion expected to be in the fall of 2023. Doyle read the following resolution:

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY EXTENDING THE INDUCEMENT PERIODAND THE SALES TAX PERIOD FOR STAUB THREE, LLC PROJECT, UNTIL APRIL 20, 2023.

WHEREAS, STAUB THREE, LLC (the "Lessee") has entered into negotiations with the officials of the Town of Hamburg Industrial Development Agency (the "Agency") with respect to the acquisition, construction, installation and equipping of an approximately 50,000 square foot advanced manufacturing facility at 0 Grimsby Drive in the Village of Hamburg for lease to the Agency and subsequent Leaseback to the Lessee and further sublease to STAUB PRECISION MACHINE, INC. (the "Sublessee") who will be the sole tenant (the "Project"); and

WHEREAS, the Town of Hamburg Industrial Development Agency (the "Agency") by resolution adopted on October 20, 2021 approved assistance for the Project; and

WHEREAS, there has been delay in finishing the Project due to supply chain issues outside of the control of the Lessee;

NOW, THEREFORE, BE IT RESOLVED BY THE AGENCY AS FOLLOWS:

- The Agency does hereby extend the inducement period and the sales tax period for the Lessee from October 20, 2022 through April 20, 2023 and waives the extension fee.
- This resolution shall take effect immediately.
- -Motion to approve above the resolution

Moved: Andy Palmer

Seconded: Bob Hutchison

Andy Palmer stated based on his experience in the field this is not a "hard ask" all contractors are booked and looking months out in job completion.

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

Nays: none **Carried** 

and

Grimsview Properties (expansion) due to factors out of their control they will not have their project completed by October 2022, delays in building steel, and the Erie County Sanitation Department permitting the sanitary sewer move has delayed the project by 8 weeks, completion is set for December 2022. Doyle read the following resolution:

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY EXTENDING THE INDUCEMENT PERIODAND THE SALES TAX PERIOD FOR GRIMSVIEW PROPERTIES, LLC PROJECT, UNTIL APRIL 20, 2023.

WHEREAS, GRIMSVIEW PROPERTIES, LLC (the "Lessee") has entered into negotiations with the officials of the Town of Hamburg Industrial Development Agency (the "Agency") with respect to the construction, installation and equipping of an approximately 18,000 square foot addition to an existing advanced manufacturing facility at 160 Grimsby Drive in the Village of Hamburg for lease to the Agency and subsequent Leaseback to the Lessee and further sublease to K & H INDUSTRIES, INC. (the "Sublessee") who will be the sole tenant (the "Project"); and

WHEREAS, the Town of Hamburg Industrial Development Agency (the "Agency") by resolution adopted on October 20, 2021 approved assistance for the Project; and

WHEREAS, there has been delay in finishing the Project due to supply chain issues outside of the control of the Lessee: and

NOW, THEREFORE, BE IT RESOLVED BY THE AGENCY AS FOLLOWS:

- The Agency does hereby extend the inducement period and the sales tax period for the Lessee from October 20, 2022 through April 20, 2023 and waives the extension fee.
- This resolution shall take effect immediately.

-Motion to approve the above resolution

Moved: Tom Moses Seconded: Janet Plarr

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

Carried

Nays: none

2023 Budget – Doyle presented the board with the proposed budget for 2023. It was reviewed by the Executive Committee last week, he highlighted the following:

- The 2022 revenue forecast is based on Johnson's Brewhouse and the K&H Expansion closing in 2022
- The 2023 revenue forecast is based on projects in the pipeline. The baseline is an average of 20 to 30 million in projects per year which would generate \$225,000 to \$250,000 revenue per year
- Expect \$2,500 in revenue from the administration of the CARES Grant.
- Employment contracts are up for both Doyle and Doran in June of 2023
- The retirement contribution figure is per their respective contracts
- The cost for processing payroll has remained steady
- Employee taxes and insurance has continued to increase
- \$2,500 was allotted for computer upgrade/expenses
- Doyle did not complete the Economic Developer Certification in 2022 the expense was carried over to 2023 budget.
- -Motion to approve the 2023 HIDA Budget

Moved: Cam Hall

Seconded: Jamel Perkins

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

Nays: none Carried

Janet Plarr stated is it not required in NYS for public benefit companies to carry FMLA for employees unless it is stated in their contract. Doyle will look into this as the payroll taxes and insurances have continued to increase.

#### **Unfinished Business**

**-Privilege of the Floor** – Annamaria Masucci spoke on behalf of Pitch Hamburg explaining their vision/purpose and how they plan to accomplish their mission. They are designed to support the creation of new small businesses that add to the economic vibrancy in Hamburg.

-Motion to adjourn at 8:29am

Moved: Janet Plarr

Seconded: Cam Hall

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

Nays: none *Carried* 

Sincerely,

Sean Doyle, Executive Director

Next meeting: October 19, 2022, 7:30AM Blasdell Village Hall

### **Town of Hamburg Industrial Development Agency** Treasurer's Report As of September 30, 2022

	Sep 30, 22	Sep 1, 22
ASSETS		
Current Assets Checking/Savings Cash		
Cash-Checking	9,420.90	21,392.92
Cash-Savings	828,322.90	690,673.00
CD Mature 4/2023	250,000.00	250,000.00
Total Cash	1,087,743.80	962,065.92
Total Checking/Savin	1,087,743.80	962,065.92
<b>Total Current Assets</b>	1,087,743.80	962,065.92
TOTAL ASSETS	1,087,743.80	962,065.92
LIABILITIES & EQUITY Equity		
Opening Balance Eq	499,980.27	499,980.27
Retained Earnings	565,034.84	565,034.84
Net Income	22,728.69	-102,949.19
Total Equity	1,087,743.80	962,065.92
TOTAL LIABILITIES & EQ	1,087,743.80	962,065.92

## Town of Hamburg Industrial Development Agency Treasurer's Report

September 2022

	Sep 22	Jan - Sep 22
Ordinary Income/Expense		
Income Administrative Fees	137,425.50	151,012.84
Interest Earnings	225.81	1,132.49
Interest Earnings CD	182.67	1,084.21
Refund	0.00	134.71
Total Income	137,833.98	153,364.25
Gross Profit	137,833.98	153,364.25
Expense		
Audit	0.00	4,500.00
Business Expenses & Mile Cell Phone	130.93 83.33	2,448.48 749.97
Complete Payroll	03.33	149.91
Payroll and Benefits	10,931.46	97,397.13
Processing Payroll	104.04	1,128.23
Total Tax Liabilities	804.76	7,813.08
Total Complete Payroll	11,840.26	106,338.44
Conferences & Seminars	0.00	100.00
Legal & Accounting	0.00	500.00
Membership Dues	0.00	5,100.00
Office Expenses	0.00	740.00
IT Support	0.00 0.00	710.00 195.62
Office Equipment Postage	21.25	197.83
Subscriptions	14.99	393.90
Supplies	4.34	1,137.19
Total Office Expenses	40.58	2,634.54
Payroll Expenses/Insurance	61.00	2,933.13
Publicity & Public Hearings	0.00	856.00
Sponsorship	0.00	4,475.00
Total Expense	12,156.10	130,635.56
Net Ordinary Income	125,677.88	22,728.69
Net Income	125,677.88	22,728.69

Prepared By:



September 22, 2022

Mr. Sean Doyle Executive Director Hamburg Industrial Development Agency 6122 South Park Avenue Hamburg, NY 14075

Re:

17 Long Street Renovation Project

Request for Extension of Term for Sales Tax Exemption on Materials

Dear Sean:

The purpose of this letter is to request an extension of the term of the sales tax exemption granted by the Agency to the Project referenced above. The current term expires today.

As indicated in our application to the Hamburg IDA submitted approximately one year ago, the anticipated start date for the project was" either fall of 2021 or spring of 2022". Renovation work on the project did not begin until late spring of 2022 and, as of the date herein, the renovation of the building "shell" is approximately 35% complete. We expect the remainder of the building shell renovation to be completed within the next six months though there will likely be some site work that will be completed next spring. As well, we anticipate there will be additional interior tenant-related buildout to be completed in 2023.

You have indicated that the Hamburg I.D.A. considers extensions of up to six months at a time. We therefore kindly request their consideration in granting a six-month extension of our current term. Should additional term be required, as we expect it will, we will submit a further request for extension at that time.

Thank you for your consideration of this request.

Sincerely,

ISKALO DEVELOPMENT CORP.

Executive Vice President

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") EXTENDING THE SALES TAX PERIOD FOR ISKALO 17 LONG, LLC (THE "LESSEE") UNTIL MARCH 22, 2023

WHEREAS, **ISKALO 17 LONG LLC** (the "Lessee") has entered into negotiations with the officials of the Town of Hamburg Industrial Development Agency (the "Agency") with respect to the adaptive reuse and renovation of a 28,890 square foot former grocery store for ambulatory health care services at 17 Long Avenue in the Village of Hamburg for lease to the Agency and subsequent Leaseback to the Lessee (the "Project"); and

WHEREAS, there has been delay in constructing and equipping of the Project due to the Co-Vid 19 Pandemic; and

NOW, THEREFORE, BE IT RESOLVED BY THE AGENCY AS FOLLOWS:

- 1. The Agency does hereby extend the sales tax period for the Lessee from September 22, 2022 to March 22, 2023.
- 2. This resolution shall take effect immediately.

ADOPTED:	October 19, 2022	
ACCEPTED:		ISKALO 17 LONG, LLC
		By:
		(name):
		(title):

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY EXTENDING THE SALES TAX PERIOD FOR THE KCE NY 6, LLC, UNTIL APRIL 10, 2023

WHEREAS, the Town of Hamburg Industrial Development Agency (the "Agency") by resolution adopted on September 10, 2021 induced KCE NY 6, LLC, (the "Lessee") with respect to the construction and installation of a 20 mw utility servicing battery energy storage facility for wholesale electric markets at 2026 Electric Avenue in the Village of Blasdell (the "Project").

WHEREAS, due to COVID - 19 pandemic and the mandated construction shutdown and the supply-chain delays as a result of border closings and supply demands, the Lessee has been unable to complete the Project within the time frame originally anticipated and has requested that the time period for completion be extended for six months; and

WHEREAS, The Town of Hamburg Industrial Development Agency approved a temporary policy to waive extension fees for project extensions for COVID-19 Pandemic related delays on May 26, 2020 to lessen the economic burden of induced project delays related to the COVID-19 Pandemic.

NOW, THEREFORE, BE IT RESOLVED BY THE AGENCY AS FOLLOWS:

- 1. The Agency does hereby extend the sales tax period for the Lessee from September 10, 2022 until April 10, 2023 and waives the extension fee; and
- 2. This resolution shall take effect immediately.

ADOPTED: October 19, 2022	
ACCEPTED:	KCE NY 6, LLC,
	as Lessee
	By



October 1, 2022

Hamburg Industrial Development Agency 6122 South Park Avenue Hamburg, NY 14075

Dear HIDA.

PITCH Hamburg is a response to the growing demand in Hamburg for a startup community. The mission of this nonprofit 501 c(3) organization is to support the creation of new small business development that adds to the economic vibrancy in Hamburg. The PITCH Hamburg business incubator, located at 40 Main Street, is in the central business district.

PITCH Hamburg is a community-based non-profit designed to boost employment and commercial real estate in Hamburg by supporting our community of innovators and entrepreneurs looking to add significant value to our region.

PITCH Hamburg combines a grass-roots startup ecosystem and a small business competition. With your support, we are bringing together a community resource of business professionals, education providers, and investors to network and foster Hamburg's small business community. We desire to provide affordable dedicated co-working space for small businesses and a communal space for educational, consultative, and developmental activities.

Hamburg Industrial Development Agency is critical to PITCH Hamburg's new small business community and the drive and promotion of entrepreneurs whose product, service or offering would be additive to Hamburg. We urge the HIDA to fund PITCH to provide staff, continue office build up and programming. In return, PITCH will continue the momentum started in the community and provide direct support to no less than 6 new small businesses boosting products, services, employment, and commercial real estate in Hamburg.

PITCH Hamburg is requesting the Hamburg Industrial Development Agency invest \$50,000 annually through a four-year commitment totaling \$200,000 in founder level support. Your investment is critical to Pitch Hamburg's startup community and the drive and promotion of entrepreneurs whose product, service or offering would be additive to the Town of Hamburg. Supporting PITCH Hamburg is a unique opportunity for the HIDA to modernize their economic development activities and become a leader in the region among other IDA's.

We would sincerely appreciate the opportunity for the Hamburg IDA to consider being a leading investor in Hamburg's economic future.

Regards,

Michael Ditonto, Board Chair Ten Thousand Vines, Inc. Annamaria Masucci, Executive Director

PITCH Hamburg

#### **EXECUTIVE SUMMARY OF THE PROJECT**

#### **PITCH Hamburg Overview**

PITCH Hamburg is a nonprofit organization that supports the creation of new small businesses that add to the economic vibrancy of Hamburg, New York.

Our mission is to support the development of the next generation of entrepreneurs through programming, mentorship and providing space for entrepreneurial activity.

#### **PITCH Hamburg Small Business Competition Overview**

Submission of an application in the Competition constitutes a legally binding agreement between the applicant and PITCH Hamburg according to the terms, conditions, and covenants contained herein. PITCH Hamburg's Small Business Competition will adhere to the following format:

- A 6 week application process to open on Wednesday, August 31 through October 12, 2022
- Selected applications for Cohort 1 will be notified at the end of October.
- Cohort 1 will begin November 2022
- Pitch Competition to take place in spring 2023

PITCH Hamburg's Small Business Competition will provide selected applicants with 6 months of the following:

- Mentoring from professionals and experts in the community, tailored towards the specific business needs
- Programming focused on small business development including topics such as (not limited to) business plan creation, funding opportunities, legal expertise
- Office space at the PITCH Hamburg incubator located at 40 Main Street in the Village of Hamburg (limit of 2 designated workspaces per company)
- An opportunity to pitch your business at the PITCH Hamburg event in spring 2023

#### Expectations of Selected Applicants for Cohort 1:

- Provide monthly business reports to PITCH Hamburg
- Sign and comply with rules and regulations of Use of Space Agreement with PITCH Hamburg
- Coordinate and attend monthly meetings with PITCH Hamburg staff and mentors
- Attend two social networking meetings every month
- Develop a pitch to be presented at the pitch event in spring 2023

Successful applicants will receive coaching up to the award program in the business model round. Through Come Alive, 3 winners will be selected to level up through PITCH Hamburg incubator program. In the incubator program the award recipients will receive a grant of up to \$5,000 for business related

expenses, coaching and mentorship and commercial space to develop and launch their product or service.

#### **OUTCOMES**

Through your generous support this innovation competition will provide the boost these businesses need to become self-sufficient and grow at a more rapid pace with the PITCH Hamburg support.

Secure their operating model, refine their financials, secure their supply chain and perform suitable customer discovery.

Three elected businesses will be awarded up to \$5,000 to be used towards qualified business expenses. In addition, business will be able to locate within the PITCH Hamburg Innovation space for a minimum 6 months with rent provided for them.

Finally, these businesses will be supported in a manner where they can be sustainable and locate in Hamburg to bolster employment, become additive to our local economy and complement our commercial sectors.

#### **COMMUNITY BENEFIT**

PITCH Hamburg will serve small businesses throughout Western New York. To receive the full benefits of the Small Business program the companies will have to locate at our facility. As these companies establish roots in Hamburg the program will bolster the job market, commercial real estate and the tax base in the area. These ancillary benefits will impact the entire community rather than just the program recipients.

The program is designed to breed an entrepreneurial ecosystem and our focus and participation with the local school districts and colleges is designed to encourage youth to apply their talents in constructive manners and focus on their role as a productive member of the community.

#### **FUNDING RATIONALE**

PITCH Hamburg is much different than typical business incubator. The grass roots focus here is on the entrepreneurial community. The small business sector had been tremendously impacted by displacement and employment, and to meet the demand for more entrepreneurial activity. Our focus is to help restore confidence in the entrepreneurial community that you can be successful with your own business. PITCH Hamburg does not take an equity stake in the program recipients, we want all their success to be their own. Business incubators support small business development. As businesses grow, their needs for space grow, and offer an opportunity to occupy buildings in the community. Supporting PITCH Hamburg provides a unique opportunity for the Hamburg IDA to broaden the scope of economic activities in the Town of Hamburg.

Due to the early stages of PITCH Hamburg, it is not eligible to apply for State finding through Empire State Development since they only fund incubators that have been in business for 3 or more years. Because of the lack of funding opportunities for brand new incubators, PITCH Hamburg's program could be at risk without the support of the Hamburg IDA.

Funding from Hamburg IDA would be used for general programming and operating costs as well as updates to the physical incubator space. In addition, funding will go towards grants to the small businesses involved in PITCH Hamburg cohorts and collaborations with professional grant writers to assist with fundraising efforts.

#### **ORGANIZATIONAL INFORMATION**

PITCH Hamburg evolved through comprehensive planning and economic development activities through the Village of Hamburg. The mission of the organization is to increase the density of entrepreneurial activity in the Village of Hamburg by attracting and supporting new small businesses that complement the community. Formed in early 2020 the PITCH Hamburg board is comprised of local founders, entrepreneurs, community leaders in education and economic development.

We are seeking funds to launch our incubator main event and to establish a formal center for entrepreneurial training and mentorship.

PITCH Hamburg has organized a formal Board of Directors and completed its corporate filings to be listed as a designated 501c3 organization.

#### Progress to date includes:

- PITCH's Grand Opening event brought in elected officials, small business owners and members of the community to celebrate our incubator space opening.
- In just a few weeks, PITCH has had over a dozen businesses that have applied for the competition as well as over a dozen inquiries about application eligibility
- PITCH has developed relationships with several business support organizations, lenders and community partners to help in program development for entrepreneurs.
- Local tech startup, Favordrop was able to utilize PITCH Hamburg's incubator space as their headquarters as their company was building. Favordrop has since grown out of the incubator, employing X staff and leasing office space in the Town.