Hamburg Industrial Development Agency

Board of Directors Meeting December 20, 2016 Room 7B - Hamburg Town Hall

Present
Tom Moses
Jeff Brylski
Bob Reynolds
Lou McDonald
Patti Paul
Cameron Hall
Norma Rusert-Kelly
Wenceslao Valentin

Excused
Janet Plarr

<u>Guests</u> Nathan Neill Craig Cwick

Executive Director
Michael J. Bartlett

- Move to open the Public Hearing for Ford Motor Company Buffalo Stamping Plant at 7:30 am.
- The company has submitted an application to the Agency requesting assistance in the form of an Installment Sales Transaction. The assistance contemplated will include sales tax exemption on any materials and/or equipment purchased for projects, expansions, and improvements at Ford properties within the Town. The agreement will commence on January 1, 2017 for a five year period, ending December 31, 2021. The company estimates that approximately \$24 million in project investments will be eligible under the new agreement.
- The Buffalo Stamping Plant (BSP) manufactures metal stampings and welded sub-assemblies for Ford Motor Company's automotive car and truck assembly plants in North America, Great Britain, and Mexico. BSP has been a strong contributor to the Ford Motor Company since 1950. When the facility opened it was 1,235,895 square feet of working floor space. They have had six major expansions and the facility is now 2,452,883 square feet or 53.3 acres of floor space. BSP provides stampings for the Edge, MKX, F-150, Super Duty, and the Focus. They are a state of the art stamping facility with highly technical robotic processes. BSP has a long term and experienced work force, with highly skilled technical trades. They have a strong presence in the WNY Community and extensive business partnerships with JDRF, March of Dimes, United Way and the Variety Club Telethon. They have a highly paid workforce and BSP is a leader in energy efficiency. BSP was one of the first plants in the Ford system to install LED lights in the plant. Their impact on the economy in the WNY area is significant. For every one direct job at the plant, there are 10 indirect jobs created; one of the highest economic multiplier effects of any industry. This includes but is not limited to suppliers, security, construction commodity, restaurants, cleaning and medical support services.
- The sales tax exemption is very important to the continued viability of the plant. It is one of the key variables allowing them to successfully compete for new work when the company considers sourcing options, as it is critical to their competitiveness. Ford has several other stamping plants in North America, and the work presently done at the Buffalo Stamping Plant (BSP) could be re-sourced to any one of them if the conditions in NY become uncompetitive.
- Plant Management wants to continue with the partnership they have with HIDA as it is a great help to them and they believe they have a significant impact on the WNY economy. In addition to the more than 1000 jobs they provide directly, they indirectly support numerous additional jobs within the local economy. BSP is vital to the State and Local economy, and continued availability of affordable purchases is a key factor in Ford Motor Company's long term commitment to the Western NY area.
- There is extreme competition within the company, specifically among stamping plants, to address new product development and secure new business. There are eight plants in North America with stamping capabilities,

including the BSP facility, vying for new business. Additionally, BSP is the only remaining Ford stand-alone stamping plant. Producing product at BSP incures costs of freight to ship the product to the various assembly plants. It is at a competitive disadvantage with the other Ford stamping plants as they are integrated stamped with assembly plants. Ford's investment in the BSP has been significant in recent years and they would like to see more investment going forward; securing the HIDA tax exemption goes a long way in staying competitive within the Ford system.

- The Hearing Officer closed the Public Hearing at 7:33 am.
- Move to open the Board of Directors meeting at 7:33 am.

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT, AND OTHER INSTRUMENTS AND OTHER MATTERS FOR FORD MOTOR CO. BUFFALO STAMPING PLANT 2017-2021.

Moved: Cameron Hall Seconded: Jeff Brylski Ayes: Moses, McDonald, Paul, Rusert-Kelly, Valentin, Reynolds, Hall, Brylski

Nays: none Carried

- Bond Council Nathan Neill explained that since the Inducement Resolution for Sharma Development adopted on December 22, 2015 and extended on November 15, 2016 needs to be amended. The reason is the Leasee (Sharma Development, LLC) has finalized the tenancies that will occupy their facility. The Lessee has requested that Premier Ambulatory Surgery Center, LLC, Sharma Ophthamology, PLLC, and Sharma Medical, PLLC, all entities related to the Lessee be authorized to acquire and install machinery and equipment and that Great Lakes Imaging, LLC and Premier Medical Pharmacy, LLC be added as occupants of the facility and authorized to enter into the Installment Sale with the Agency for the purpose of acquiring and installing machinery and equipment required in connection with the project.

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AMENDING THE INDUCEMENT RESOLUTION ADOPTED BY THE AGENCY ON DECEMBER 22, 2015 AND EXTENDED FOR AN ADDITIONAL ONE YEAR PERIOD ON NOVEMBER 15, 2016, AUTHORIZING SHARMA DEVELOPMENT, LLC (THE "LESSEE") TO ACQUIRE AN APPROXIMATELY 12 ACRE PARCEL OF LAND LOCATED AT 2816 PLEASANT AVENUE AND TO CONSTRUCT AN APPROXIMATELY 22,306 SQUARE FOOT BUILDING THEREON, AS AGENT FOR THE AGENCY AND AUTHORIZING PREMIER AMBULATORY SERVICES DEVELOPMENT COMPANY LLC (THE "SUBLESSEE") TO ACQUIRE AND INSTALL MACHINERY AND EQUIPMENT REQUIRED IN CONNECTION THEREWITH, AS AGENT FOR THE AGENCY, ALL FOR AN ARTICLE 28 LICENSED AMBULATORY SURGERY CENTER, FOR LEASE TO THE AGENCY AND SUBSEQUENT LEASEBACK TO THE LESSEE FOR SUB-SUBLEASE TO THE SUBLESSEE PURSUANT TO AN INSTALLMENT SALE TRANSACTION AND TO TAKE OTHER PRELIMINARY ACTION TO ADD THE NAMES OF ALL THE PROPOSED SUBLESSEES IN THE FACILITY AND TO EXTEND THE AUTHORIZATION TO ACQUIRE MACHINERY AND EQUIPMENT PURSUANT TO THE INSTALLMENT SALE AGREEMENT TO PREMIER AMBULATORY SURGERY CENTER, LLC, SHARMA OPHTHAMOLOGY, PLLC AND SHARMA MEDICAL, PLLC

Moved: Bob Reynolds Seconded: Patti Paul Ayes: Moses, Valentin, Brylski, Rusert-Kelly, Hall, McDonald, Reynolds, Paul

Nays: none Carried

- HIDA 2017 Budget the 2017 HIDA Budget was accepted by the Board on November 15, 2016 and placed on file in the Town Clerk's Office. The Board now needs to formally adopt the 2017 HIDA Budget.
- Motion to adopt the 2017 HIDA Budget as submitted

Moved: Cameron Hall Seconded: Norma Rusert-Kelly

Ayes: Moses, Reynolds, McDonald, Brylski, Paul, Valentin, Hall, Rusert-Kelly

Nays: none Carried

- Following the presentation by Carl Calabrese from Masiello, Martucci, Calabrese and Associates at our November 15, 2016 Board of Directors meeting, no action was taken in regards to renewing the contract with them for another 12 month period. Mr. Bartlett stated that we have been working with the firm since 2010 and their help has been very important on many issues the HIDA deals with. He recommended renewing the contract for another 12 months.

- **Motion** to renew the HIDA's contract with Masiello, Martucci, Calabrese and Associates for an additional 12 month period in an amount not to exceed \$500.00 a month and authorizing Executive Director Bartlett to sign a new agreement with the ability of either party to cancel the agreement with a 30 day written notice.

Moved: Bob Reynolds Seconded: Norma Rusert-Kelly

Ayes: Moses, McDonald, Valentin, Hall, Reynolds, Rusert-Kelly

Nays: Brylski Abstain: Paul Carried

- Executive Director Bartlett informed the Board that the HIDA Chief Financial Officer, Mary Dosch, is retiring after the first of the year. Since Mary is one of the people authorized to sign documents (including checks), it is important that she be replaced as soon as possible. Mr. Bartlett has spoken with Mary and she will be on the job until the end of January. She said there will be someone replacing her but that person has not been named yet. It would seem logical that Mary's replacement take her role as CFO, but the decision would be up to the person hired. A discussion took place in regards to who else could be considered in case the new hire (or the Town) did not want to assume the CFO role for the Agency. Hamburg Village Administrator Don Witkowski was mentioned as a possible candidate. Mr. Bartlett will contact Don to see if he is interested.
- The Village of Mission Hills II, LLC project's sales tax exemption ends on January 1, 2017. While the project is almost complete, they have requested that the Agency grant a two and a half month extension until March 15, 2017 to allow work to be completed. The Board agreed to give a six month extension to make sure the Company would not need to come back again.

RESOLUTION OF THE TOWN OF HAMBURG INDUSTRIAL DEVELOPMENT AGENCY GRANTING A SIX MONTH EXTENSION TO VILLAGES OF MISSION HILLS II LLC FOR THE 2014 VILLAGES OF MISSION HILLS II LLC PROJECT

Moved: Bob Reynolds

Seconded: Jeff Brylski

Ayes: Moses, Paul, Rusert-Kelly, Valentin, McDonald, Hall, Reynolds, Brylski

Nays: none Carried

- Motion to approve the minutes from the November 15, 2016 Board of Directors meeting as amended

Moved: Wenceslao Valentin

Seconded: Lou McDonald

Ayes: Moses, Brylski, Hall, Rusert-Kelly, Paul, Reynolds, Valentin, McDonald

Nays: none Carried

- Motion to approve the November 2016 Treasurer's Reports

Moved: Lou McDonald

Seconded: Bob Reynolds

Ayes: Moses, Paul, Hall, Brylski, Valentin, Rusert-Kelly, McDonald, Reynolds

Nays: none Carried

- Motion to adjourn at 7:54 am

Moved: Cameron Hall

Seconded: Patti Paul

Ayes: Moses, Rusert-Kelly, McDonald, Reynolds, Brylski, Valentin, Hall, Paul

Nays: none Carried

Sincerely,

Michael J. Bartlett Executive Director

Hamburg Industrial Development Agency December 20, 2016 Room 7B - Hamburg Town Hall

Public Hearing: JGM Associates Limited Partnership

Attendance:

Tom Moses
Jeff Brylski
Bob Reynolds
Lou McDonald
Patti Paul
Cameron Hall
Norma Rusert-Kelly
Wenceslao Valentin
Craig Cwick
Nathan Neill

Hearing Officer: Michael J. Bartlett

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