

NCIDA/NCDC REGULAR BOARD MEETING MINUTES

Wednesday, June 9, 2010 – 9:00 a.m.

Meeting Place: Niagara County Industrial Development Agency
6311 Inducon Corporate Drive, Suite One
Sanborn, New York 14132

1.0 Meeting Called to Order

The regular meeting of the Niagara County Industrial Development Agency was called to order by Chairman Sloma at 9:00 a.m.

2.0 Roll Call

Henry M. Sloma, Chairperson	Present
Mayor Michael Tucker, 1st Vice Chairperson	Present
Stephen F. Brady, 2 nd Vice Chairperson	Present
Deanna Brennen, Secretary	Present
John J. Petrozzi, Assistant Secretary	Present
Joseph C. Frain, Member	Present
Robert Connolly, Member	Present
Patricia Dufour	Present
Mark A. Onesi, Member	Present

3.0 Chairman Sloma led the Pledge of Allegiance.

4.0 Introduction of Guests

Benjamin Plum	Green Tire Mgmt
Gary Krat	Green Tire Mgmt
Joshua Krat	Green Tire Mgmt
Ori Duek	Green Tire Mgmt
Joyce Miles	Lockport Union Sun & Journal
William L. Ross	Niagara County Legislature
Sam Santarosa	Santarosa Holdings LLC
Don Hobel	Taxpayer
Rose Mary Warren	Taxpayer

Staff Present

Samuel M. Ferraro, Executive Director
Larry Witul, Assistant Director
Susan Langdon, Marketing/Project Manager
Michael Dudley, Accounting Associate
Mark Gabriele, Agency Counsel
Mary P. Melloni, Recording Secretary

5.0 Approval of NCIDA Meeting Minutes

5.1 NCIDA Regular Meeting of April 21, 2010

Chairman Sloma asked for a motion to approve the April 21, 2010 minutes.

Mr. Frain made a motion, seconded by Mr. Brady, to approve the meeting minutes of April 21, 2010. Motion passed.

6.0 NCIDA/NCDC Committee Reports

6.1 NCIDA Audit/Finance Committee

6.1.1 Agency Payables

6.1.2 Agency Financial Report

Mr. Frain indicated that the Audit Committee reviewed the Agency payables and financial report through May 31, 2010, found them to be in order and recommends approval.

Ms. Brennen made a motion, seconded by Mr. Onesi, to approve the Payables and Agency Financial Report. Motion passed.

6.1.3 NCIDA Training Room Upgrade

Mr. Sloma explained that the NCIDA Training Room has become obsolete in terms of the AV equipment and technology. It was discussed and is recommended by the Audit Committee to upgrade the room with equipment to include wireless, projection screen, sound system, etc.

Mr. Connolly made a motion, seconded by Ms. Dufour to approve the upgrade of the NCIDA training room as recommended by the Audit Committee. Motion passed.

6.2 NCDC Audit/Finance Committee

6.2.1 Matthew Wendler d/b/a Purpose Built Engineering – RLF/MAP #366

Mr. Kelsey stated that the Microenterprise Loan Panel reviewed this loan request and is recommending approval of a \$25,000 7-year term loan with a 6-month payment-free period at a rate of 5%. The Committee did suggest, however not mandatory, that the parents of Mr. Wendler be considered as guarantors on the loan.

Chairman Sloma stated that the Microenterprise Loan Panel and the Audit Committee have both reviewed and recommend the loan. He explained the Microenterprise Program for those who are not familiar with it.

Mayor Tucker made a motion, seconded by Mr. Frain, to approve the loan request for \$25,000 to Purpose Built Engineering. Motion passed.

6.3 NCIDA / NCDC Governance Committee – No report.

7.0 NCIDA Unfinished Business

7.1 Merritt Machinery LLC

7.1.1 Legal Description Modification

Mr. Gabriele explained that Merritt Machinery came before the board previously and at that time the legal description that was provided to the Agency at that time only covered part of the project site's premises. Therefore, a resolution is need to authorize Agency Counsel to revise and modify the project documents to reflect the correct project legal description.

Mr. Onesi made a motion, seconded by Mr. Brady, to authorize Counsel to revise and modify the project documents on Merritt Machinery LLC to reflect the correct project legal description. Motion passed.

7.2 Ulrich City Centre, LLC

7.2.1 Extension of Sales Tax Exemption

Mr. Gabriele stated that this is a request by Ulrich City Centre LLC to extend their sales tax exemption benefits in order to continue development of their project. This is not additional benefits, just a continuation of the existing benefits.

Mr. Frain made a motion, seconded by Mr. Petrozzi, to approve the extension of the sales tax exemption benefit for Ulrich City Centre, LLC. Motion passed.

8.0 New Business

8.1 Green Tire Systems, LLC

Mr. Witul explained that the Company is a for-profit corporation formed for the purpose of identifying, developing and implementing green technologies. Specific to their interests at this time is to develop and implement programs for the reprocessing of tires. This process uses pyrolysis to break down tires to their basic components of oil, carbon black, steel and natural gases. They are considering a location on College Avenue in the City of Niagara Falls; are requesting a 15-year PILOT and sales and mortgage recording tax exemptions. In addition, under the Federal Stimulus Program, there are Economic Recovery Zone Facility Bonds available through Niagara County and Green Tire is requesting up to \$18 million of these bonds. Staff has been working with Counsel in an effort to secure these bonds from the State reserves to meet their request. Green Tire anticipates approximately 50 new jobs within three years.

8.0 New Business

8.1 Green Tire Systems, LLC (Continued...)

Mr. Witul stated that the Company is not present at this time; however, are expected to arrive. Chairman Sloma explained that it is necessary for the Board to come to an understanding with the Applicants about the commitments they must make in turn for the commitments the Agency is making. It is important that they appear in order to establish that understanding.

A motion was made by Mr. Frain, seconded by Mayor Tucker, to table any decision on the Green Tire Systems LLC project until the project representatives can be present. Motion passed.

8.1.1 Preliminary Resolution

8.1.2 Public Hearing Date

9.0 NCIDA Information Items

NYS Tax Issue

Chairman Sloma stated that the Agency received a letter from the State indicating they wanted to tax the NCIDA several hundred thousand dollars, which the Agency did not agree with. Chairman Sloma stated that he has indications that the State is going to waive this tax, at least for this year. Counsel stated that is also his understanding and that the statewide action is pending for June 11, 2010 and there are two pending pieces of legislation with the State to eliminate that whole section.

The Niagara at Barton Hill PILOT Issue

Chairman Sloma explained that he and Counsel have been working on a situation regarding the granting of a PILOT to a hotel in Lewiston, The Niagara at Barton Hill. This is a start-up business that is struggling to meet their obligations and have become delinquent in their PILOT payments. The NCIDA Board discussed rescinding the PILOT for failure to meet their obligations and the deadline was set at April 30, 2010. Counsel proceeded to prepare the paperwork to do this. Correspondence was received from the Village of Lewiston, the Lewiston-Porter School District, and some vague communication from the County that asked the Agency to extend and give Barton Hill time to fix this problem (by May 14th). Because there was paperwork to be prepared in the meantime, this was granted. Chairman Sloma stated that May 14th came and there was no solution. Correspondence was received from Barton Hill attorney stating they were working with some financial people. Chairman Sloma asked Counsel to contact the attorney and set up a meeting between the Chairman and the financial people so they can confirm there is financing in place and Barton Hill will meet their obligation. A letter was received that is believed to be valid and there is substantial assurance that there will be new money flowing into the venture. Chairman Sloma stated that he is asking the Board to extend the retraction of the PILOT for 60 days, and within 60 days the paperwork to rescind the PILOT will be filed.

9.0 NCIDA Information Items (Continued...)

The Niagara at Barton Hill PILOT Issue (Continued...)

Open for discussion: There are late charges and penalties that the Company is responsible for to the taxing jurisdictions. No partial payments are accepted; they must pay in full. Counsel explained that because of the lease/leaseback agreement, the Company would go back on the tax rolls in March of 2011, which means that the 60-day extension will not affect the taxing jurisdictions at this time.

Mr. Petrozzi made a motion, seconded by Mr. Frain, to grant a 60-day extension to The Niagara at Barton Hill. Motion passed.

At this time Green Tire Systems personnel arrived and the meeting returned to the Green Tire Systems Project, Item 8.1:

8.0 New Business

8.1 Green Tire Systems, LLC

Mr. Benjamin Plum of Green Tire Systems introduced Mr. Ori Duek, Managing Director, and Gary Krat who represents their principal investor and is a partner in the business. Mr. Plum provided a brief overview of what the Company does (tire recycling company). A question and answer period followed. Mr. Plum explained the process in more detail, explaining why their process is successful where others are not. He was also asked what constitutes full production. Mr. Plum stated that full production is 20,000 tons; from input to output they harvest 96% of that. It is a scalable facility and their goal is to increase capacity. Their issue is getting tires; and they have competent local partners and expert advice and believe they can reach the 20,000 ton threshold easily.

They will purchase a parcel of property from Mr. Santarosa – a parcel that sits on a brownfield. It is an old US Steel carbon manufacturing facility.

Asked about testing the site and being able to move forward if contamination is found, Mr. Santarosa stated that they cannot allow the Company to start construction on the property until they have a COC on that property which they are in the process of doing.

8.1.1 Preliminary Resolution

Mr. Petrozzi made a motion, seconded by Mr. Frain, to approve the Preliminary Resolution for Green Tire Systems, LLC.

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF GREEN TIRE SYSTEMS LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW) TO BE UNDERTAKEN BY THE AGENCY FOR THE BENEFIT OF GREEN TIRE SYSTEMS LLC OR AN ENTITY FORMED OR TO BE FORMED; (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) AUTHORIZING THE EXECUTIVE DIRECTOR OF THE AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL

8.0 New Business

8.1 Green Tire Systems, LLC (Continued...)

8.1.1 Preliminary Resolution

CONSERVATION LAW IN CONNECTION WITH THE PROJECT; AND (iv) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nea</u>	<u>Abstain</u>	<u>Absent</u>
Henry Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
John J. Petrozzi	[X]	[]	[]	[]
Stephen Brady	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Robert Connolly	[X]	[]	[]	[]
Mark A. Onesi	[X]	[]	[]	[]
Joseph C. Frain	[X]	[]	[]	[]

The resolution was thereupon duly adopted.

8.1.2 Public Hearing Date – TBD

10.0 Agency Counsel

11.0 Any Other NCIDA Matters the Board Wishes to Discuss – None.

12.0 Regular NCDC - NCIDA Board Meeting:

DATE: August 11, 2010

TIME: 9:00 a.m.

PLACE: Niagara County Center for Economic Development

13.0 Adjournment

Mr. Brady made a motion, seconded by Mr. Frain, to adjourn the meeting at 9:52 a.m. Motion passed.

Respectfully submitted,

Reviewed by,

Approved by,

 Mary P. Melloni
 Administrative Assistant

 Samuel M. Ferraro
 Executive Director

 Deanna Alterio-Brennen
 Secretary