

NCIDA/NCDC REGULAR BOARD MEETING MINUTES

Wednesday, October 13, 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
Joseph C. Frain, Member	Present
Patricia Dufour, Member	Present
Mark A. Onesi, Member	Excused
William J. Bradberry, Member	Present

3.0 Chairman Sloma led the Pledge of Allegiance.

4.0 Introduction of Guests

Tim Woodcock	638 Lake Street (Woodcock Bros. Brewery)
Gordon Kenyon	Barker Central School
Roger Klatt, Superintendent	Barker Central School
Tom Prohaska	Buffalo News
Harold M. Halpern, Esq.	Calamar (RM1 Holdings)
Earl Wells	E3communications
Anthony Coretti	KPMG (Verizon)
George Tobjy	KPMG (Verizon)
Joyce Miles	Lockport Union Sun & Journal
William L. Ross	Niagara County Legislature
Don Hobel	Taxpayer
Randall Wayner	Town of Somerset
Richard Meyers, Supervisor	Town of Somerset
Bruce R. Biesecker	Verizon
John Bunomo	Verizon
Robert Haines	Verizon
Steven D. Cohen	Verizon

Staff Present

Samuel M. Ferraro, Executive Director
Larry Witul, Assistant Director
Gary E. Kelsey, Manager of Finance
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 September 8, 2010

Ms. Brennen made a motion, seconded by Mr. Frain, to approve the meeting minutes of September 8, 2010 with changes. 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 September 30, 2010, found them to be in order and recommends approval.

Mr. Frain made a motion, seconded by Mr. Bradberry, to approve the Payables and Agency Financial Report. Motion passed.

6.1.3 2011 NCIDA/NCDC Budget

Mr. Frain indicated that the Board has been provided with a preliminary draft budget for 2011. This will be acted on at the November 10, 2010 meeting.

6.2 NCDC Audit/Finance Committee

6.2.1 Five Star Bank Request

Mr. Kelsey explained that this is a typical request for refinancing for two NEDF loans, Contracts Unlimited and DJF Holdings. It is requested that the Agency be authorized to sign the appropriate documents for the loan closing, and a possible subordination agreement.

A motion was made by Mr. Frain and seconded by Ms. Dufour to authorize the execution of the appropriate documents for the refinancing of the Contracts Unlimited and DJF Holdings loan refinancing, contingent upon Counsel approval of the documents. Motion passed.

6.2.2 Darox Inc. d/b/a Scruples Lounge – RLF/MAP #367

Mr. Kelsey explained that the Committee reviewed and is recommending for approval a \$25,000 loan for the restaurant/bar located in Newfane, New York. It will be a 5-year term loan with a 5% financing rate, first lien on all Company assets.

Mr. Frain made a motion to approve the \$25,000 term loan to Darox, Inc., seconded by Ms. Brennen. Motion passed.

6.2.3 Jay Watts d/b/a Custom Landscape – RLF/MAP #369

Mr. Kelsey stated that this is a Microenterprise loan request being recommended for approval by the loan committee and Audit committee. The Company is located in Lockport and is a landscape/patio design company that has been in business for over ten years. They are requesting a \$25,000 term loan, 7-year amortization with 5% interest rate, first lien on all company assets. The applicants have qualified under the Microenterprise program.

Mayor Tucker made a motion, seconded by Mr. Brady, to approve the \$25,000 term loan to Jay Watts d/b/a Custom Landscape. Motion passed.

6.3 NCIDA / NCDC Governance Committee – No report.

7.0 NCIDA Unfinished Business

7.1 Pyrotek, Inc. (Metaullics Systems)

7.1.1 Extension of Sales Tax Exemption

7.1.2 PILOT Modification Request

Mr. Gabriele explained that due to a number of factors the Pyrotek project is behind schedule and are requesting an extension to their sales tax exemption. There are no additional benefits associated with this extension.

The Company is also requesting a modification of their PILOT due to a delay in completing the project. This is a 15-year PILOT and they are requesting that the PILOT benefits be delayed one year; moving the entire schedule back a year in order that they do not lose their first year PILOT.

Mr. Frain made a motion, seconded by Ms. Dufou, to approve the extension of the sales tax exemption for Pyrotek, Inc.

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>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Henry M. Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
Stephen F. Brady	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Mark Onesi	[X]	[]	[]	[]
William J. Bradberry	[X]	[]	[]	[]
Joseph C. Frain	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

7.0 NCIDA Unfinished Business

7.1 Pyrotek, Inc. (Metaullics Systems) continued...

7.1.1 Extension of Sales Tax Exemption

7.1.2 PILOT Modification Request

Mr. Frain made a motion, seconded by Ms. Dufour to approve the modification of the PILOT schedule for Pyrotek, Inc.

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>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Henry M. Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
Stephen F. Brady	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Mark Onesi	[]	[]	[]	[X]
William J. Bradberry	[X]	[]	[]	[]
Joseph C. Frain	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

7.2 RM1 Holdings, LLC

7.2.1 Assignment & Assumption Request

7.2.2 Consent to Mortgage Refinance

Mr. Gabriele explained that RM1 Holdings is transferring the project to another entity and in order to do so it is required that they get the consent of the NCIDA Board of Directors. The new company will be entitled to step into the shoes of the existing RM1 Holdings LLC.

They are also asking for consent to a refinance of the existing mortgage on the property.

Mr. Bradberry made a motion, seconded by Ms. Dufour, to approve the Assignment and Assumption of benefits and to consent to the refinance of the mortgage for RM1 Holdings, LLC.

7.0 NCIDA Unfinished Business

7.2 RM1 Holdings, LLC (Continued...)

7.2.1 Assignment & Assumption Request

7.2.2 Consent to Mortgage Refinance

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>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Henry M. Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
Stephen F. Brady	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Mark Onesi	[]	[]	[]	[X]
William J. Bradberry	[X]	[]	[]	[]
Joseph C. Frain	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

8.0 New Business

8.1 638 Lake Street, LLC

Ms. Langdon explained that Woodcock Brothers Brewing company is a new business that will encompass a brewery, microbrewery/pub and an associated retail/commercial complex at 638 Lake Street in Wilson.

The Lake Street building is a former cold storage that will be renovated to accommodate the brewery and pub, as well as additional space to be leased to other retail tenants. Woodcock Brothers Brewing Company Inc. will be a full production craft beer brewery, serving a wood fired menu in a 40 seat bar and 40 seat dining room along with a 40+ seat patio for use in summer months. The brewery will be the first producing beer on premises in Niagara County and it will help to enhance Wilson as a tourism destination. They are looking at 23 new full-time jobs.

Tim Woodcock stated that they will completely renovate the building and provide some desperately needed retail spots that will be approximately 20 x40 s.f. The brewery will be the main attraction and something that Wilson needs. This building is across from the old Pfeiffer Foods building. This building is a building that was built in 1900 and will be revitalized.

8.0 New Business

8.1 638 Lake Street, LLC (continued...)

8.1.1 Preliminary Resolution

Ms. Dufour made a motion, seconded by Mr. Frain to approve the Preliminary resolution for 638 Lake Street, LLC.

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>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Henry M. Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
Stephen F. Brady	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Mark Onesi	[]	[]	[]	[X]
William J. Bradberry	[X]	[]	[]	[]
Joseph C. Frain	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

8.1.2 Authorize Public Hearing

Mr. Brady made a motion, seconded by Mr. Bradberry to authorize the public hearing for 638 Lake Street, LLC.

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>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Henry M. Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
Stephen F. Brady	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Mark Onesi	[]	[]	[]	[X]
William J. Bradberry	[X]	[]	[]	[]
Joseph C. Frain	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

8.0 New Business

8.2 Verizon CCC, LLC

Mr. Witul explained that Verizon CCC, LLC is a New York State Corporation. They are proposing to acquire approximately 180 acres, 150 of which would be used by the Company in the town of Somerset along Route 18. The project is for the construction and operation of a 500,000 s.f. data center. The total investment over the 10-year period is approximately \$4.5 billion. The initial phase (building, equipment) is approximately \$1.2 billion; additional equipment under phase II is approximately \$800 million. The project would create approximately 200 jobs. Mr. Witul stated that the Agency is working with the New York State Power Authority and Empire State Development for their participation in the project.

Chairman Sloma stated that the project benefits include the acquisition of approximately 150 acres of vacant land, generating taxes; construction of a new 500,000 s.f. building complex, creating 500 construction jobs; the acquisition and installation of \$4 billion in equipment over ten years; 200 high-paying jobs within five years with an approximate salary range of \$85,000 per job. It will create new property tax revenue with an enhanced PILOT of 20 years.

A representative for Verizon addressed the Board and Staff. He provided renderings of the facility and explained the workings of a data center and how the facility will be run by Verizon. A question and answer period followed.

Senator Maziarz stated that Yahoo had no problem acquiring the skilled labor they needed in this area, between the University at Buffalo and reaching into Rochester. He stated that he chairs the Senate Energy and Telecommunications Committee and has been working closely on this project

8.2.1 Preliminary Resolution

Mr. Frain made a motion, seconded by Mayor Tucker, to approve the Preliminary resolution for Verizon CCC, LLC. 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>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Henry M. Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
Stephen F. Brady	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Mark Onesi	[]	[]	[]	[X]
William J. Bradberry	[X]	[]	[]	[]
Joseph C. Frain	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

8.0 New Business

8.2 Verizon CCC, LLC (continued...)

8.2.2 Authorize Public Hearing

Mayor Tucker made a motion, seconded by Ms. Dufour to approve the Preliminary resolution for Verizon CCC, LLC.

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>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Henry M. Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
Stephen F. Brady	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Mark Ones	[]	[]	[]	[X]
William J. Bradberry	[X]	[]	[]	[]
Joseph C. Frain	[X]	[]	[]	[]
Patricia Dufour	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

9.0 Agency Counsel – None.

10.0 Any Other NCIDA Matters the Board Wishes to Discuss

11.0 Regular NCDC - NCIDA Board Meeting:

DATE: November 10, 2010

TIME: 9:00 a.m.

PLACE: Niagara County Center for Economic Development

12.0 Adjournment

Mr. Brady made a motion, seconded by Mr. Frain, to adjourn the meeting at 9:42 a.m. Motion passed.

Respectfully submitted,

Reviewed by,

Approved by,

 Mary P. Melloni
 Administrative Assistant

 Samuel M. Ferraro
 Executive Director

 Deanna Alterio-Brennen
 Secretary