

**Niagara County Industrial Development Agency**

Project Summary Sheet

**Green Tire Systems LLC**

Project No. 10-06

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**Applicant:** Green Tire Systems LLC

**Project Location:** 1501 College Avenue  
Niagara Falls, NY

**Assistance:** PILOT (15 year Industrial)  
Sales and Mortgage Recording Tax Exemptions.  
Federal Bond Cap

**Description:** Green Tire Systems LLC is a for profit corporation that was formed for the purpose of identifying, developing and implementing green technologies. Of specific importance here is the proposal to reprocess old tires.

Green Tire Systems has developed and refined a tire reprocessing process that uses pyrolysis to break down tires to their basic components: oil, carbon black, steel and gas. These components can then be utilized by other firms in the making of a low grade fuel (jet fuel), new tires and steel components. Because this is a closed system a minimal amount of gas is generated with most of it used as a fuel for the pyrolysis process.

Green Tire is considering a proposal to develop and construct a tire reprocessing facility to be located in the City of Niagara Falls, New York. This proposed project represents the investment of approximately \$18 million in new equipment and would have the capability to break down tires in to their original components: oil, carbon, steel belting and natural gas. The project would create 50 new jobs and approximately 10 additional jobs through suppliers and customers.

**Recovery Zone  
Facility Bonds:**

To stimulate and induce new economic activity the Federal Government established an Economic Stimulus Package that included Recovery Zone Facility Bonds (RZFB). Like a Tax Exempt Bond this program offers reduced interest rates on issues for job generating projects but to insure availability of cap (\$6,645,000). The funding application must be made to the Niagara County Industrial Development Agency by June 1, 2010. Funds under the Recovery Zone Facility Bonds could be used for the acquisition and/or installation of equipment.

Green Tire Systems LLC would like to use \$18 million of RZFB to finance the project, the tire reprocessing facility and equipment. With the Niagara County Cap Allocation being limited to \$6,645,000, to increase the "cap" volume to match the funding request the application needs to be made to New York State requesting additional cap volume from the State reserve.

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<b>Project Costs:</b>	Building acquisition / renovation	\$ 500,000
	New Equipment	15,000,000
	Project costs	<u>2,500,000</u>
	Total	\$18,000,000

**Employment:** Retain: 0 existing Jobs Create 50 new direct jobs within 3 years

**Staff Recommendations:**

- Project is consistent with Agency policy and legislation.
- Would add 50 new direct jobs with an estimates 25 secondary jobs
- Reduces land fill through recycling and reprocessing.
- Adds to the Tax Base