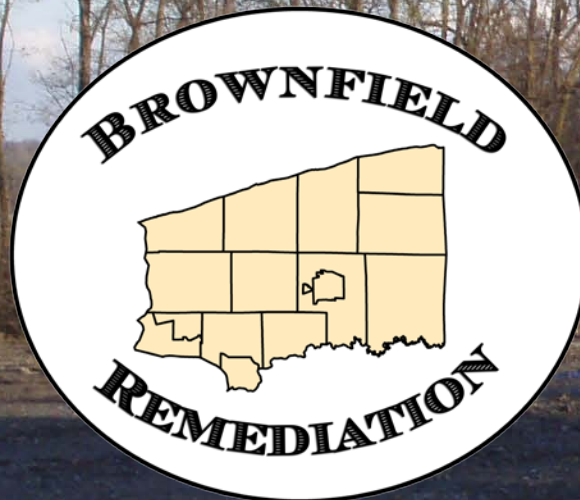


# **NIAGARA COUNTY BROWNFIELD DEVELOPMENT CORPORATION**



## **2011 ANNUAL REPORT**

SUBMITTED: DECEMBER 13, 2011

# MISSION STATEMENT

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**The Niagara County Brownfield Development Corporation (NCBDC) is a not-for-profit corporation formed in October 2008 by the Niagara County Legislature. The NCBDC was created to establish and operate the Niagara County Brownfields Cleanup Revolving Loan Fund (BCRLF) program. Through the BCRLF, the NCBDC provides financial assistance in the form of low-interest loans and grants to eligible entities for remediation of brownfield sites throughout Niagara County. Revitalizing and returning brownfield sites to productive use creates jobs, contributes to the tax base, and eliminates the potential risk to public health and the environment.**

## CORPORATION STRUCTURE

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The Niagara County Legislature created the NCBDC in 2008 to implement the Niagara County BCRLF Program. Funding for the NCBDC is provided by Niagara County through competitively awarded brownfields cleanup revolving loan fund grants from the United States Environmental Protection Agency (USEPA). In conjunction with the federal fiscal year, the NCBDC's fiscal year runs from October 1st to September 30th of each year.

The NCBDC is governed by a three member board of directors. Per the NCBDC by-laws, the members of the corporation consist of the individuals holding the following positions:

- a. Chairman of the Board of Legislators, Niagara County
- b. Executive Director, Niagara County Industrial Development Agency
- c. Mayor, City of Niagara Falls

For the 2011 Fiscal Year, the above positions were held by the following individuals:

- a. William L. Ross, Chairperson
- b. Samuel M. Ferraro, Secretary
- c. Paul A. Dyster, Vice Chairperson

In addition to the membership, the NCBDC has two Executive Officers elected by the Board of Directors. For the 2011 Fiscal Year, the Executive Officers were as follows:

- a. President – Amy E. Fisk
- b. Treasurer – John M. Baird

# 2011 ACCOMPLISHMENTS

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During the 2011 fiscal year (October 1, 2010 to September 30, 2011), Niagara County continued to implement the BCRLF program and achieve established performance measures. Performance measures include awarding funds to new remediation projects and beginning the process of turning vacant properties back to productive use. Of the \$1.9 million in grant funds allocated to the program, \$1.56 million has been either expended or committed as of September 30, 2011.

Funding for four sites was approved in 2011. Each of the sites is discussed in detail below.

## *Santarosa Project, City of Niagara Falls*

In December 2008, the NCBDC Board of Directors approved the first BCRLF project, a \$250,000 loan to Santarosa Holdings, Inc. for asbestos abatement at 1501 College Avenue in the City of Niagara Falls. The 13-acre site was previously used for heavy industrial manufacturing from around 1910 to the mid-1980's by the Union Carbide Company and later the Niagara Vest Corporation. The site has remained vacant since the late 1980's.

During site remediation significant additional contamination was found and Santarosa Holdings Inc. applied for and received a second \$384,900 loan from the BCRLF to assist with addressing site contamination. All of the buildings on the site have been demolished and more than 4,000 tons of contaminated soil has been removed from the site. Additional site preparations are ongoing to prepare the site for industrial redevelopment.

Santarosa Holdings Inc. continues to work with end users for the site. 14.1 acres of the 18 acre site are under contract to Falls Metal Recycling for development into a metal recycling and reclamation green facility. The proposed \$13-\$15 million development will create 45 new jobs. One additional company has an option to purchase the remaining 4 acres of the site. Proposed development for this portion of the site is for green energy production and a potential \$18 million investment with 50 new jobs.



Site Building – 2008



Remediation Underway - 2010



Remediation Complete - 2011

**Dussault Foundry Site, City of Lockport**

In May 2010, the NCBDC Board of Directors approved the first project under the ARRA BCRLF, a \$200,000 grant to the City of Lockport for the remediation of the Dussault Foundry Site, 2 and 10 Washburn Street in the City of Lockport. The 5.6 acre site was previously used from 1912 to 1995 for manufacturing cast iron and ductile steel. The City of Lockport acquired the site through tax foreclosure in August 2010.

Since awarding the subgrant, the City of Lockport hired an engineer to develop asbestos abatement specifications, wrote a community relations plan, and competitively secured a contractor to perform the asbestos abatement project. Fieldwork began on September 26, 2011. While in the field, the contractor discovered additional contamination that was unknown at the onset of the project. The cost to address the additional contamination was estimated to be \$150,000.

In an effort to ensure that this long vacant brownfield site turns into a redevelopment success story, the NCBDC Board of Directors approved a subgrant increase of \$150,000 to remediate the additional contamination. It is expected that the site will be fully remediated by the end of 2011 and will be marketed for redevelopment in 2012.

In addition to traditional site marketing, redevelopment planning at this strategic site has taken place. A conceptual reuse plan was developed for the City and includes mixed-use redevelopment including some residential and small scale commercial. Public open space is incorporated into the design.



Site Buildings – 2006



Remediation – 2011



Demolition Completed – 2011



Reuse Conceptual Plan



**Lockport Air Force Base, Town of Cambria**

In May 2011, the NCBDC Board of Directors approved two grants totaling \$400,000 through the ARRA BCRLF, to the Town of Cambria Housing Authority for remediation at two parcels that were formerly part of the Lockport Air Force Base in the Town of Cambria.

The two parcels (Parcel #1 and #6), total 12.8 acres were used by the United States government as a Military Command Center from 1942 to 1974. The site was left to the Town of Cambria in the early 1980's.

Grant funding is being used to conduct asbestos abatement. Engineering work is underway and actual remediation is anticipated to begin in spring 2012.



Parcel #1



Parcel #6

**Kohl Cycle Site, City of Lockport**

In May 2011, the NCBDC Board of Directors approved a \$200,000 grant for remediation at the Kohl Cycle Site, 71 Gooding Street in the City of Lockport. The 0.74 acre site was used for industrial purposes for over 100 years. The City of Lockport acquired the site through tax foreclosure in 2008.

The City of Lockport is working with the New York State Office of Parks, Recreation, and Historic Preservation to address potential historic preservation issues with the site building. Upon resolution of these issues, it is anticipated that a grant agreement for the project will be expected between the NCBDC and the City of Lockport.



Site Building

The status of each of the above discussed projects is included in Table 1 below.

**Table 1. Status of 2011 Active Projects**

Project Name	Santarosa Project Loan #1	Santarosa Project Loan #2	Dussault Foundry	Lockport Air Force Base #1	Lockport Air Force Base #6	Kohl Cycle Site
Type of Project	Loan	Loan	Grant	Grant	Grant	Grant
Funding Amount	\$250,000	\$384,900	\$350,000	\$200,000	\$200,000	\$200,000
Date of Issuance	06/04/09	04/13/11	08/27/10	08/22/11	08/22/11	Pending
Interest Rate	3.0%	3.0%	N/A	N/A	N/A	N/A
Term	5 years	5 years	N/A	N/A	N/A	N/A
Amount Dispersed	\$250,000	\$384,900	\$1,150	\$0	\$0	\$0
Remaining Balance	\$0	\$0	\$348,850	\$200,000	\$200,000	\$200,000
Repayment Type	Monthly	Monthly	N/A	N/A	N/A	N/A
Amount Repaid	\$38,259	\$0	N/A	N/A	N/A	N/A

# FINANCIAL REVIEW

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Upon incorporation of the NCBDC in October 2008, the Corporation was funded with a \$1 million grant awarded to Niagara County from USEPA. In October 2009, Niagara County received a \$900,000 Brownfields Cleanup Revolving Loan Fund grant from the USEPA through the American Recovery and Reinvestment Act. The total funds available to the NCBDC since inception total \$1.9 million. A summary of the budget is included in table 2 below.

**Table 2. Budget Summary for 2011 Fiscal Year (October 1, 2010 – September 30, 2011)**

Category	2011 Amount Expended	Cumulative Amount Expended	Cumulative Amount Obligated	EPA Grant Amount	Amount Unobligated
Project Expenses	\$543,227.79	\$726,050.00	\$748,850.00	\$1,710,000.00	\$235,100.00
<i>Programmatic Expenses</i>					
Audit Services	\$3,500.00	\$7,000.00	N/A	N/A	N/A
Financial Services	\$4,534.29	\$9,330.19	N/A	N/A	N/A
Insurance	\$2,400.00	\$7,200.00	N/A	N/A	N/A
Legal Services	\$11,337.74	\$64,647.13	N/A	N/A	N/A
Total Programmatic Expenses	\$21,772.03	\$88,177.32	N/A	\$190,000.00	\$101,822.68
Total Expenses	\$564,999.82	\$814,227.32	\$748,850.00	\$1,900,000.00	\$336,922.68

The NCBDC has no paid staff and board members serve without compensation. At the end of Fiscal Year 2011, the NCBDC did not own any property.

An assessment of the effectiveness of the NCBDC internal control structure and procedures will be forthcoming as part of the annual independent certified audit.

The NCBDC Code of Ethics adopted on December 10, 2008 remains in effect.

# CERTIFICATION

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Based upon the Executive Officers' knowledge,

- (i) the information presented in this report is accurate, correct, and does not contain any untrue statement of material fact;
- (ii) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which the statements are made; and,
- (iii) fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in the financial statements.

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Amy E. Fisk, President / Date

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John M. Baird, Treasurer / Date