

NCIDA/NCDC REGULAR BOARD MEETING MINUTES

Wednesday, February 11, 2009 – 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
Angelo Massaro, Assistant	Excused
John J. Petrozzi, Member	Present
Joseph C. Frain, Member	Excused
Robert Connolly, Member	Present
Rev. Kevin Dobbs, Member	Present

3.0 Chairman Sloma led the Pledge of Allegiance.

4.0 Introduction of Guests

William L. Ross	Chairman, Niagara County Legislature
Mark Scheer	Niagara Gazette
Mike Balent	Metaullics Systems
Kevin J. Scott	Metaullics Systems
Al Crogan	Snow Park, LLC
Don Hobel	Taxpayer
Rose Mary Warren	Taxpayer
Tom Prohaska	The Buffalo News

Staff Present

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

5.0 Approval of NCIDA Meeting Minutes

5.1 Regular NCIDA Meeting of January 14, 2009

With regard to January's minutes, Mr. Brady stated that he is listed as making a motion to adjourn the meeting; however, he was not in attendance. Revision will be made.

Mr. Connolly made a motion, seconded by Mr. Petrozzi, to approve the meeting minutes of January 14, 2009 with noted revision. Motion passed.

6.0 NCIDA Committee Reports

6.1 Audit Committee

6.1.1 Agency Payables

Mr. Petrozzi stated that the Payables were reviewed and found to be in order, and the Audit Committee is recommending approval. *Mr. Petrozzi made a motion, seconded by Mayor Tucker, to approve the Payables. Motion passed.*

6.1.2 Agency Financial Report

Mr. Petrozzi stated that the Agency financial report through January 31, 2009 was found to be in order and the Audit Committee is recommending approval. *Mr. Petrozzi made a motion to accept the financial report as recommended, seconded by Ms. Brennen. Motion passed.*

6.1.3 Bank CD Rates

Relative to the banks repositioning themselves on investments and on recommendations advanced to the Audit Committee by Mr. Kelsey, it is the recommendation of the Audit Committee to accept those recommendations. *Mr. Petrozzi made a motion, seconded by Mr. Connolly to approve this action. Motion passed.*

6.2 NCDC Review Committee Report

Ms. Brennen reported that the Revolving Loan Fund parameters are outlined in an attachment [*Attached hereto and made a part hereof these minutes*]. This is for informational purposes and may be useful in understanding the criteria for loans that come before the Board for approval. Mr. Gabriele stated that any loans that come to this Board for approval have met the criteria by that time.

6.0 NCIDA Committee Reports (Continued...)

6.3 Real Property Committee Report

Mr. Petrozzi stated that the Real Property Committee has not met. Chairman Sloma indicated that Agency Counsel is summarizing some of the agreements that the Agency has with some of the properties and will be sent to the Committee for their reference.

7.0 NCIDA Unfinished Business

7.1 Niagara's Choice Federal Credit Union

7.1.1 Final Resolution

Ms. Langdon explained that Niagara's Choice Federal Credit Union currently has two locations: 3619 Packard Road in Niagara Falls and in the Meadowbrook Plaza at 3571 Niagara Falls Boulevard in the Town of Wheatfield. The Wheatfield location does not allow the credit union to offer drive-in or ATM services. In order to better serve its member base in the Wheatfield area, which is growing substantially, NCFCU plans to construct a new 3,000 square foot building on a vacant lot adjacent to its current location. The total cost of the project is \$1.7 million; projecting 2 full time and 4 part-time new jobs.

Mr. Witul stated that the required public hearing was held; there were six people in attendance, three who were representatives of NOAH. One representative did comment that they would hope that any jobs created were going to be offered to area residents. There was no opposition to the project.

Mr. Connolly questioned the fact that the project was started before they approached the Agency. Chairman Sloma stated that it is not uncommon for a project to be underway. Mr. Gabriele stated that many times even though a project approached the Agency ahead of time, they sometimes do not return until the assistance is needed. Sometimes the reason is that they do not want the project to go public at that time.

Chairman Sloma stated that the NOAH group is a group in favor of local hiring and this will be part of a discussion the Board will have in the future.

7.0 NCDC Unfinished Business

7.1 Niagara's Choice Federal Credit Union (Continued...)

7.1.1 Final Resolution

Ms. Brennen made a motion, seconded by Reverend Dobbs, to approve the Final resolution for Niagara's Choice Federal Credit Union.

RESOLUTION AUTHORIZING THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO (i) UNDERTAKE A CERTAIN PROJECT FOR THE BENEFIT OF NIAGARA'S CHOICE FEDERAL CREDIT UNION, AS MORE FULLY SET FORTH BELOW; (ii) DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; (iii) NEGOTIATE AND EXECUTE A LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT IN LIEU OF TAX AGREEMENT AND RELATED DOCUMENTS, AND (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PAYMENT-IN-LIEU-OF-TAX AGREEMENT TOGETHER WITH A MORTGAGE TAX EXEMPTION FOR THE MORTGAGE RELATING THERETO.

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]	[]
Kevin Dobbs	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Robert Connolly	[]	[X]	[]	[]
Angelo Massaro	[]	[]	[]	[X]
Joseph C. Frain	[]	[]	[]	[X]

The Resolution failed.

Agency Counsel addressed the abstention by Mr. Petrozzi, explaining that last month Mr. Petrozzi abstained based on the fact that he had submitted a bid for the roofing job on this project. Since that time Mr. Petrozzi has withdrawn the bid and now does not have a reason to abstain from voting. Mr. Gabriele asked Mr. Petrozzi if he has any intention of doing any work on this project; Mr. Petrozzi indicated he does not. Mr. Petrozzi stated he is in favor of this project and would like the board to consider a new vote.

Mr. Petrozzi asked and there were no objections to taking a new vote.

7.0 NCDC Unfinished Business

7.1 Niagara’s Choice Federal Credit Union (Continued...)

7.1.1 Final Resolution

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]	[]
Kevin Dobbs	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Robert Connolly	[]	[X]	[]	[]
Angelo Massaro	[]	[]	[]	[X]
Joseph C. Frain	[]	[]	[]	[X]

The resolution was thereupon duly adopted

Chairman Sloma stated that there will be a discussion regarding identifying and handling conflicts of interests.

7.2 Extensions – M. Gabriele

7.2.1 Santarosa Holdings, LLC (Inducement Expires 2/21/09)

7.2.2 Kissling Interests, LLC (Inducement Expires 2/16/09)

7.2.3 Universal Fine Chemical (Extension of Sales Tax Exemption)

Mr. Gabriele explained that Universal Fine Chemicals is looking for an extension of their sales tax exemption; they have not used their full benefit at this time and would like a 6-month extension to continue to utilize the exemption. They are not in violation of the terms of their lease or PILOT and there are no additional benefits associated with this extension.

Santarosa Holdings and Kissling Interests were originally induced in February of 2008. Their inducements expire at one year and they are requesting a 6-month extension. Both are projects that are experiencing a slow down due to issues with the Brownfield Program.

Mr. Brady made a motion, seconded by Mr. Connolly, to approve these extensions for a 6-month period for each of the three projects. Motion passed.

8.0 New Business

8.1 Metaullics Systems – Division of Pyrotek

Mr. Witul explained that in 1993 Metaullics Systems Co. LP was created to acquire the graphite facilities of the Carborundum Co. on Cory Road in Wheatfield. In February 2005 Metaullics Systems was acquired by Pyrotek Inc. headquartered in Spokane, Washington. Typical products of the company are graphite tubes and rods used in the production of aluminum and chemical operation.

Metaullics Systems in Wheatfield is competing for the location of a new product line and a 36,600 square foot building expansion. The company has been able to secure an allocation of low cost hydro power from the NY Power Authority and is seeking financing and tax incentives from the NCIDA to fully secure the expansion.

The proposed project included the construction of a new building just north of the company's existing facilities on Cory Road, the acquisition and installation of new production equipment. Total investment is projected to be \$5,000,000 in fixed assets is expected to create approximately 11 new manufacturing jobs upon completion.

Mr. Witul introduced Kevin Scott, Operations Manager of Metaullics Systems, and Project Engineer Mike Balent. Mr. Scott made a PowerPoint presentation about the Company and products. He explained that they have worked with a major US-based customer to develop a new product, which he cannot reveal due to confidentiality agreement with this customer. They are one of the top ten companies in the US and the product is a new emerging product that has a very big future. Mr. Scott explained that it is now time to take it to full scale production and their capacity at Sanborn is limited; therefore, to take this further they will have to expand the plant. They will expand the facility with a 36,600 s.f. addition to an existing building on the site; rebuild and install three new high-temperature heat-treatment furnaces, and add all the infrastructure needed to support this. The project is expected to be completed by the Fall of 2009 and the total cost is estimated at \$5.6million. Eleven (11) new jobs will be created by the Fall of 2009 and they will retain 6 existing jobs.

Mr. Connolly asked if there are any environmental concerns related to the new furnaces. Mr. Scott stated that these furnaces are very different from what was in the factories in the past. He stated that they pay very competitive wages, offer a profit sharing plan, full dental and health benefit, etc. He stated that the Hydro allocation has been secured and it is replacement power.

Chairman Sloma reminded the project operators that the new jobs will be verified from time to time.

8.0 New Business

8.1 Metaullics Systems – Division of Pyrotek (Continued...)

8.1.1 Preliminary Resolution

Mr. Connolly made a motion, seconded by Reverend Dobbs, to approve the Preliminary Resolution for Metaullics Systems, a division of 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>Nea</u>	<u>Abstain</u>	<u>Absent</u>
Henry Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
John J. Petrozzi	[X]	[]	[]	[]
Stephen Brady	[X]	[]	[]	[]
Kevin Dobbs	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Robert Connolly	[X]	[]	[]	[]
Angelo Massaro	[]	[]	[]	[X]
Joseph C. Frain	[]	[]	[]	[X]

The resolution was thereupon duly adopted

8.1.2 Public Hearing

Chairman Sloma announced that the public hearing will be held on March 18, 2009 at 4:30 p.m. here at the Center for Economic Development. This project will return to the board for action at the April meeting because the hearing occurs after the March board meeting.

8.2 Snow Park, LLC

Ms. Langdon explained that Snow Park LLC proposes to construct an approximately 120,000 square foot Winter Carnival Snow Park on 2.79 acres in the City of Niagara Falls. The project will consist of a large outdoor skating rink, a snow tubing hill, two food kiosks, restroom facilities, a warming hut with ticketing services and skate rentals and a parking lot. It is anticipated that many patrons will walk from the numerous hotels in the vicinity of the site.

Snow making equipment at the facility will have enough capacity to produce 100 tons per day and will enable the park to stay open as a year round attraction. Synthetic ice will be used for the ice skating rink, also allowing year round use.

The Park is projected to open in June of 2009 just as peak tourism season begins and will be open from 8 a.m. to midnight.

8.0 New Business

8.2 Snow Park, LLC

Ms. Langdon introduced Mr. Al Crogan of Snow Park LLC. He stated that they are proposing to develop a tourist destination project requiring special permits for amusement activity. They are looking to employ approximately 50 – 60 full and part-time employees and they will try to be open 365 days per year. There will be snow all year long, as well as a child’s play area. The snow is of a “snow cone” type material. He stated that it appears the water usage right now would be about 11,000 gallons per year, utilizing more water in the summer months. They will be using a synthetic ice surface, a super glide product – the quality of which has improved so that to most skaters the difference is not noticeable. The hill will require 18,000 s.f. of snow coverage – 50 foot high incline. The entire complex will be covered in a white astro-turf surface. He explained that the runoff will go into a water detention area on the site. There is no refrigeration—only insulation.

Chairman Sloma stated that this is a great opportunity for development outside of the Seneca Niagara Casino area and this is one of the first initiatives for the Agency.

Mr. Connolly asked if the construction jobs were going to come from not only Niagara but Erie County also. Mr. Crogan stated that they would like to use as many from Niagara County as possible, but for something like the foundation they have to use someone who can fit within the time frame they are looking at. They want to start construction as soon as possible. Chairman Sloma stated that they strongly encourage hiring and buying in Niagara County whenever possible and the relationship with the Agency is contingent with the employment numbers proposed.

8.2.1 Preliminary Resolution

Mr. Brady made a motion, seconded by Mr. Connolly, to approve the Preliminary resolution for Snow Park 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>Nea</u>	<u>Abstain</u>	<u>Absent</u>
Henry Sloma	[X]	[]	[]	[]
Michael W. Tucker	[X]	[]	[]	[]
John J. Petrozzi	[X]	[]	[]	[]
Stephen Brady	[X]	[]	[]	[]
Kevin Dobbs	[X]	[]	[]	[]
Deanna Brennen	[X]	[]	[]	[]
Robert Connolly	[X]	[]	[]	[]
Angelo Massaro	[]	[]	[]	[X]
Joseph C. Frain	[]	[]	[]	[X]

The resolution was thereupon duly adopted

8.0 New Business

8.2 Snow Park, LLC (Continued...)

8.2.2 Public Hearing

Chairman Sloma announced that the public hearing will be held on March 19, 2009 at 4:30 p.m. at Niagara Falls City Hall. This project will return to the board for action at the April meeting because the hearing occurs after the March board meeting.

8.3 NCIDA Project Signs

Ms. Langdon explained that the Board had previously asked the Agency to construct project signs to be placed at the construction sites of Agency projects and picture of two of those are included in the board packet. One is at the Calamar Senior Housing Project off Shawnee Road in Wheatfield and the other is at the Chamberlain building in Vantage Industrial Park, at the site of the Compact Mold project.

9.0 NCIDA Information Items

9.1 Discussion on Local Hiring – Postponed until March 11, 2009 Meeting

Chairman Sloma stated that at the last meeting the Board decided that we would try to discuss the issue of hiring locally as a requirement on our projects. Mr. Massaro would like to be included in this discussion and because he cannot be here today we will postpone the discussion until next month.

10.0 Agency Counsel

Conflict of Interest

Mr. Gabriele stated that the Agency policy on conflict of interest is fairly clear. What should be done where conflicts may or may not arise, if there is even an assumption there is a conflict the Board Member should contact Counsel ahead of time to meet with him and discuss the potential conflict and at that time Counsel will look into the issue to determine if it is an actual conflict or not and he will provide advice. If after that a Board Member chooses to abstain or take other action that is the Board Member's decision. The second process that is recommended by Counsel is that if a Board Member does choose to abstain for conflict purposes from any vote, you should announce your conflict and before a discussion of the matter takes place, excuse yourself from the room so as to avoid any appearance of any type of influence by your presence in the room.

Executive Session

Mayor Tucker made a motion, seconded by Reverend Dobbs, to enter into Executive Session for the purpose of discussing contractual issues. Motion passed. Executive Session began at 9:55 a.m.

Mr. Brady made a motion, seconded by Mr. Connolly, to adjourn Executive Session. Motion passed. Executive Session ended at 10:27 a.m.

11.0 Any Other NCIDA Matters the Board Wishes to Discuss

14.0 Next Regular NCDC - NCIDA Board Meeting:

DATE: March 11, 2009

TIME: 9:00 a.m.

PLACE: Niagara County Center for Economic Development

15.0 Adjournment

Mr. Brady made a motion, seconded by Ms. Brennen, to adjourn the meeting. Meeting adjourned at 10:27 a.m.

Respectfully submitted,

Reviewed by,

Approved by,

Mary P. Melloni
Administrative Assistant

Samuel M. Ferraro
Executive Director

Deanna Alterio-Brennen
Secretary