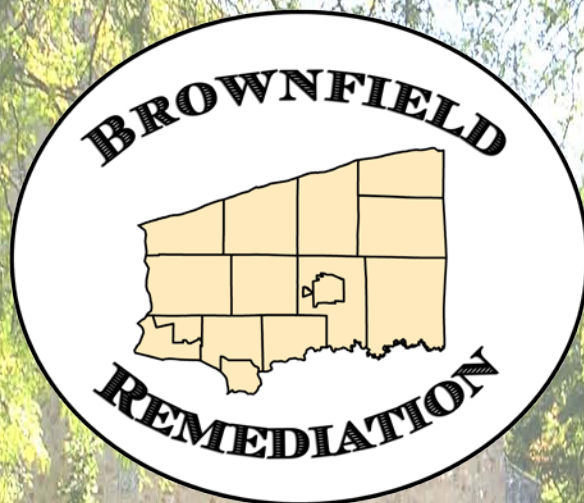


NIAGARA COUNTY BROWNFIELD DEVELOPMENT CORPORATION



2010 ANNUAL REPORT

SUBMITTED: NOVEMBER 17, 2010

MISSION STATEMENT

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 subgrants 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

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 2010 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 2010 Fiscal Year, the Executive Officers were as follows:

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

2010 ACCOMPLISHMENTS

During the 2010 fiscal year (October 1, 2009 to September 30, 2010), Niagara County was awarded a \$900,000 Brownfields Cleanup Revolving Loan Fund grant from the USEPA through the American Recovery and Reinvestment Act (ARRA). The new grant award is being used to continue the efforts of the NCBDC by providing additional funds through which loans and subgrants can be issued for brownfields remediation in Niagara County. Niagara County, NY was the only recipient of ARRA BCRLF funds in USEPA Region 2 which covers New York State, New Jersey, Puerto Rico, and the Virgin Islands. Receipt of these funds is considered a testament to the positive accomplishments Niagara County has achieved in brownfields remediation efforts.

During 2010, three projects were underway using BCRLF funds, one \$250,000 loan; one \$90,000 subgrant; and one \$200,000 subgrant. Each of the projects is discussed in detail below.

Santarosa Project

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 is currently an abandoned industrial site and contains several neglected and dilapidated buildings.

Santarosa Holdings, Inc. intends to remediate the site and redevelop the property for tire related recycling businesses. During 2009, the company experienced issues with the asbestos contractor and work was put on hold. During 2010, the company continued to work with their contractor to resolve the pending issues and began soil testing at the site to determine the nature and extent of remaining site contamination. It is anticipated that during 2011, the company will complete the asbestos abatement, closeout the BCRLF loan, and conduct the remaining site remediation rendering the site ready for reuse.



Site Building – August 2008



Back of Building – August 2008



Drums in Main Building – August 2008

Youngstown Cold Storage Project

In June 2009, the NCBDC Board of Directors approved the second BCRLF project, a \$90,000 grant to the Village of Youngstown for the remediation of the Youngstown Cold Storage Site, 701 Third Street, in the Village of Youngstown. The 2.4 acre site was previously used from around 1910 to 1996 for the storage, washing, and packaging of locally grown apples. The site is currently occupied by three structures that include a deteriorating three-story stone warehouse building, a single story brick ice house building, and a vacant house.

Remediation was considered completed in September 2010 and included demolition of some on-site buildings; excavation and off-site disposal of contaminated subsurface soil/fill; removal and off-site disposal of PCB-contaminated equipment and concrete; and removal and off-site disposal of contaminated subslab material.

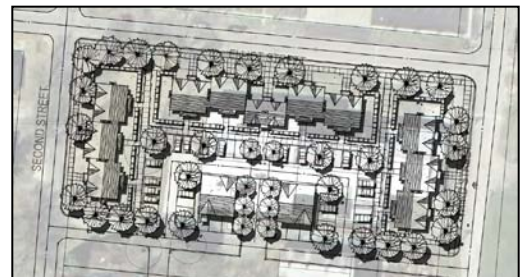
Site remediation cost approximately \$230,000 and was completed to NYS residential reuse standards. The proposed reuse of the site is for senior housing. The Village of Youngstown is actively marketing the site for this type of redevelopment.



YCS Main Building – March 2010



Former Underground Storage Tank Area



Site Redevelopment Conceptual Plan

Dussault Foundry Site Project

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.

Grant funds will be used to remove the approximate 67,950 square feet of asbestos containing materials. In September 2010, an environmental consultant was hired to prepare the plans and specifications for asbestos abatement. It is anticipated that the project will be completed in early 2011.



Dussault Site – March 2006



Inside Main Building – March 2006

The status of the three projects is included in Table 1 below.

Table 1. Status of Funded Projects

Project Name	Type of Project	Funding Amount	Date of Issuance	Interest Rate	Term	Amount Dispersed	Remaining Balance	Repayment Type	Amount Repaid
Santarosa Project	Loan	\$250,000	06/04/09	3.0%	5-years	\$92,822.21	\$157,177.79	Monthly	\$6,671.56
Youngstown Cold Storage	Subgrant	\$90,000	09/25/09	N/A	N/A	\$90,000	\$0	N/A	N/A
Dussault Foundry Site	Subgrant	\$200,000	08/27/10	N/A	N/A	\$0	\$200,000	N/A	N/A

FINANCIAL REVIEW

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 its inception total \$1.9 million. During the 2010 fiscal year, the NCBDC encumbered an additional \$200,000 in projects and spent \$37,482.37 on programmatic expenses. A summary of the budget is included in table 2 below.

Table 2. Budget Summary for 2010 Fiscal Year (October 1, 2009 – September 30, 2010)

Category	2010 Amount Committed/ Expended	Cumulative Amount Committed/ Expended	EPA Grant Amount	Amount Unobligated
Project Expenses	\$290,000.00	\$540,000.00	\$1,710,000.00	\$1,170,000.00
Programmatic Expenses				
Audit Services	\$3,500.00	\$3,500.00	N/A	N/A
Financial Services	\$3,968.90	\$4,795.90	N/A	N/A
Insurance	\$2,400.00	\$4,800.00	N/A	N/A
Legal Services	\$27,613.47	\$53,309.39	N/A	N/A
Total Programmatic Expenses	\$37,482.37	\$66,405.29	\$190,000.00	\$123,594.71
Total Expenses	\$327,482.37	\$606,405.29	\$1,900,000.00	\$1,293,594.71

The NCBDC has no paid staff and board members serve without compensation. At the end of Fiscal Year 2010, 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

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.

Amy E. Fisk, President / Date

John M. Baird, Treasurer / Date