

NCIDA/NCDC REGULAR BOARD MEETING MINUTES

Wednesday, January 14, 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	Excused
Deanna Brennen, Secretary	Present
Angelo Massaro, Assistant	Present
John J. Petrozzi, Member	Present
Joseph C. Frain, Member	Present
Robert Connolly, Member	Present
Rev. Kevin Dobbs, Member	Present

3.0 Chairman Tucker led the Pledge of Allegiance.

4.0 Introduction of Guests

William L. Ross	Chairman, Niagara County Legislature
Mark Scheer	Niagara Gazette
Matthew Weber, Esq. (for Melanie Tisdale, Esq.)	Niagara's Choice Federal Credit Union
Al Frosolone	Niagara's Choice Federal Credit Union
Christian Peck	Public Information Officer
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 November 12, 2008

5.2 Regular NCIDA Meeting of December 10, 2008

With regard to December's minutes, Ms. Brennen questioned the name of the Company under 9.1.1; Ms. Melloni explained that Graphite Mine Holdings is the LLC for Ashland Advanced Materials.

Ms. Brennen made a motion, seconded by Mr. Frain, to approve the meeting minutes of November 12 and December 10, 2008. Motion passed.

6.0 NCIDA Committee Reports

6.1 Audit Committee

6.1.1 Agency Payables

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

6.1.2 Agency Financial Report

Mr. Frain stated that in looking at the Budget Variance report for the year, operating revenues are up \$32,000; expenses are down \$9,867, leaving a net operating income of \$42,279. Non-operating revenue and expenses is down \$3,235, leaving a net income of \$39,044.11. Mr. Frain indicated that the Agency financial report through December 31, 2008 was found to be in order and the Audit Committee is recommending approval. *Mr. Massaro made a motion to accept the financial report as recommended, seconded by Mr. Connolly. Motion passed.*

6.2 NCDC Review Committee Report

Ms. Brennen reported that the Committee reviewed two loan requests that will be presented at this meeting. They also received information that was requested at the August meeting regarding Aging & Cash Flow reports. The Committee feels everything is in order.

Mr. Sloma explained that he attended the meeting and the Committee is creating some greater understanding with the Board and Staff on the work of the NCDC and how all of the various funds flow through that Corporation.

6.0 NCIDA Committee Reports (Continued...)

6.3 Real Property Committee Report

Mr. Petrozzi stated that there was a review of the buildings owned by the NCIDA. They will review all agreements with partners to insure they are in order. There was also a discussion about the expansion of the electrical service in the park, allow the Agency to continue to develop the park.

7.0 NCDC New Business

7.1 Loan Requests

7.1.1 Ashdan Screw Machine Products, Inc. – RLF/EDA #356

Mr. Kelsey explained that Ashdan Screw Machine Products, Inc. is a screw machine shop located at 17 Simonds Street in the City of Lockport. They specialize in the manufacturing of turn parts. They take other manufacturing companies' parts/products and produce them to the Company's specifications. The owner is Robert Artieri. Ashdan is requesting a \$61,500 term loan from the NCDC to be used toward an expansion and the acquisition of machinery and the building they are in. The total project cost is \$276,500; the company currently employs 3 individuals, with two more jobs to be created within three years. The recommendation is for a \$61,500 loan, 10-year term, to be amortized over 15 years with a balloon after the year 10 for modification and/or extension.

Chairman Sloma stated that both the Revolving Loan Committee and NCDC Review Committee have reviewed this loan and they concurred and have asked the Board to approve conditionally; the condition being that the Staff be provided some final information prior to the closing.

Mr. Frain made a motion, seconded by Reverend Dobbs, to approve the loan for Ashdan Screw Machine Products in the amount of \$61,500.

Mr. Massaro asked about the percentages listed on page two of the narrative and Mr. Kelsey explained these percentages were based on the amount of the total project -- \$236,500. There are personal guarantees.

Mr. Sloma stated that they discussed the Agency setting parameters for how much investment the applicant makes in regard to the entire loan.

Motion passed.

7.0 NCDC New Business

7.1 Loan Requests

7.1.2 Wanderfalls Guesthouse & Hostel – RLF/MAP #357

Mr. Kelsey explained that this is a 4-bedroom hostel with four bunk beds in each room, located on Spruce Street in the City of Niagara Falls. The sole proprietor is Elizabeth Carroll Schulz. This hostel is an affordable lodging option for budget-minded travelers. Ms. Schulz will provide a warm, friendly, comfortable atmosphere. During tourist season (mid-May through September), all rooms will be dorm rooms to maximize capacity. In off-season rooms will remain set up in the dorm fashion and others will be private for singles and couples. The hostel is located one mile from the Falls and within walking distance of many tourist attractions and the bus station. Parking is available on the property. It is also convenient to grocery stores, post office, shops, etc.

The request is for a 5-year term loan of \$25,000 for the purchase of equipment, working capital and marketing. One assistant will be hired to take care of the front desk and perform cleaning duties.

Mr. Sloma stated that the Microenterprise Loan Committee recommended approval upon additional review by the NCDC review committee and that committee concurs and also recommend approval.

Mayor Tucker made a motion, seconded by Mr. Connolly, to approve the loan to the Wanderfalls Guesthouse & Hostel.

Mr. Massaro asked if all pertinent licenses and permits have been provided. Mr. Kelsey explained that they will be a condition of closing.

Motion passed.

7.2 Revolving Loan Fund Committee

7.2.1 Appoint NCIDA Board Member

Chairman Sloma indicated that this position is not vacant at the present time so no action will be taken on this item.

8.0 NCDC Unfinished Business – None.

9.0 Any Other NCDC Matters – None.

10.0 NCIDA Unfinished Business

10.1 Sales Tax Exemption Extension Requests

10.1.1 Ulrich City Centre, LLC

10.1.2 Virginia One, Inc. (Compact Mold)

Mr. Gabriele explained that these projects are not yet complete; however, the sales tax exemption benefit time frame has expired. These projects are seeking an extension of the sales tax exemption; these are not additional benefits. Both entities are in full compliance with the terms of the lease/leaseback agreements.

Mr. Frain made a motion, seconded by Mayor Tucker to extend the sales tax exemption period on these projects for an additional six months. Motion passed.

11.0 NCIDA New Business

11.1 Niagara's Choice Federal Credit Union

Ms. Langdon explained that Niagara's Choice Federal Credit Union (NCFCU) was originally chartered by the federal government in 1953 to serve the employees of Hooker Chemical Company, now Occidental Chemical Corporation. In 2003, the credit union was granted a Community Charter to serve anyone who lives, works, worships, volunteers, or attends school in Niagara County.

Niagara's Choice Federal Credit Union provides financial services for its members, including savings accounts, loan products, check cashing, etc. It 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.

Chairman Sloma stated that the last credit union project raised questions about who was eligible to participate and some Board members had concerns about the Agency providing benefits to an Agency that had a limited enrollment in terms of the taxpayers of Niagara County.

11.0 NCIDA New Business

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

Mr. Al Frosolone of the Niagara's Choice FCU stated that the credit union did change to a Community Charter in 2003 that permits anyone who lives, works, worships, volunteers or attends school within the County of Niagara to join. They eventually opened a 1000 s.f. office located in Meadowbrook Plaza in the City of North Tonawanda. Over the years with new members and charter change, the credit union's board of directors has discussed this expansion and the property adjacent to the Meadowbrook Plaza was purchased. They will build a 3000 square foot office that will permit them to add to some of the services their members are looking for and also provide more convenience and draw new members, especially in the Town of Wheatfield.

Mr. Frain stated that Niagara's Choice is one of the better credit unions in the County and they are well run and take care of their members.

Mr. Frosolone explained that their current assets are \$54 million, with \$35 million loan portfolio, of which \$11 million are mortgages. Their average mortgage is about \$55,000, so there are many mortgages in the City of Niagara Falls but they are branching out into the Wheatfield area because of their location there. Their largest amount of loans (35% of the portfolio) are vehicle loans.

Mr. Connolly asked why the general contractor they hired is DW Campbell from Pennsylvania. Mr. Frosolone stated that DW Campbell has 19 years of experience in construction of branches of credit unions and banks. He stated that there was not a firm in Western New York that specifically dealt with financial services buildings. However, he stated that with the bid process, there was a concerted effort to use as many Niagara County firms as possible – i.e. electrical firm from Sanborn, plumbing and HVAC from Niagara County. He stated that close to 40% of the firms are from Niagara County.

Chairman Sloma stated that the community has expressed a concern for various agencies to insist that a certain percentage of work come from the local community; however, this agency has no standard for that at this time. Chairman stated that whenever an applicant comes to the Agency they are reminded that the taxpayers of Niagara County are giving them consideration in new development and it is hoped that wherever possible they buy and hire from Niagara County. Chairman Sloma asked Mr. Frosolone to encourage his contractors and sub-contractors to recognize this relationship.

11.0 NCIDA New Business

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

11.1.1 Preliminary Resolution

Ms. Brennen made a motion, seconded by Mr. Frain, to approve the Preliminary resolution.

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF NIAGARA'S CHOICE FEDERAL CREDIT UNION WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW) TO BE UNDERTAKEN BY THE AGENCY FOR THE BENEFIT OF NIAGARA'S CHOICE FEDERAL CREDIT UNION OR AN ENTITY FORMED OR TO BE FORMED; (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) AUTHORIZING THE EXECUTIVE DIRECTOR OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH THE PROJECT; AND (iv) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY.

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.

11.1.2 Public Hearing

Chairman Sloma announced that the public hearing for Niagara's Choice Federal Credit Union will be held on *Friday, February 6th at 4:30 p.m.* at the NCIDA offices.

12.0 Information Items – None.

13.0 Agency Counsel - None.

14.0 Any Other NCIDA Matters the Board Wishes to Discuss

Chairman Sloma stated the Agency tries to encourage applicants to buy and hire locally and this needs to be included in their message to future applicants. Chairman Sloma stated that however, part of the Agency's responsibility is to remove obstacles to development, so in some degree these can be conflicting issues. Chairman stated that he does not feel it is consistent with the Agency's mission to put barriers in place.

Chairman Sloma requested that the resolution adopted by the City of Lockport be forwarded to the Board Members to review. *It will be on the agenda for discussion at the February meeting.*

Mr. Frain asked Mr. Frosolone how many bids were received on the Niagara's Choice project. Mr. Frosolone stated he received approximately 85; 50% being from Niagara County. Chairman Sloma asked if the Staff can gather information from the project applicants on who they plan to solicit and the Staff can encourage them to hire locally.

Mr. Connolly stated that the reason he brought this up is that the hotel on Niagara Falls Boulevard that experienced a serious accident was from out of the area and did not abide by the safety and security rules set up by OSHA or New York State. He stated that these things can be avoided by using local contractors. Mr. Massaro asked that Agency Counsel look into ways of creating incentives to hiring locally. Chairman Sloma stated this will be on the next agenda for a discussion with the entire Board.

14.0 Next Regular NCDC - NCIDA Board Meeting:

DATE: February 11, 2009

TIME: 9:00 a.m.

PLACE: Niagara County Center for Economic Development

15.0 Adjournment

Mr. Frain made a motion, seconded by Ms. Brennen, to adjourn the meeting. Meeting adjourned at 9:38 a.m.

Respectfully submitted,

Reviewed by,

Approved by,

Mary P. Melloni
Administrative Assistant

Samuel M. Ferraro
Executive Director

Deanna Alterio-Brennen
Secretary