

# REGULAR NCIDA/NCDC/NADC BOARD MEETING MINUTES

**Meeting Date:** Wednesday, September 9, 2020  
**Meeting Time:** 9:00 a.m.  
**Meeting Place:** Niagara County Industrial Development Agency  
6311 Inducon Corporate Drive, Suite One  
Sanborn, New York 14132

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## 1.0 Meeting Called to Order

The regular meeting of the Niagara County Industrial Development Agency was called to order by Acting Chairperson Onesi at 9:00 a.m.

## 2.0 Roll Call

Mark A. Onesi, Acting Chairperson	Present
Jerald I. Wolfgang, 1 <sup>st</sup> Vice Chairperson	Present
Kevin McCabe, 2 <sup>nd</sup> Vice Chairperson	Present
William L. Ross, Secretary	Present
Mary Lynn Candella, Assistant Secretary	Excused
Robert B. Cliffe, Member	Present
Clifford Scott, Member	Present
Scott Brydges, Member	Present
Jason Krempa, Member	Present

## 3.0 Mr. Cliffe led the Pledge of Allegiance.

## 4.0 Introductions

### Guests Present:

- Jim Fink, Business First
- David Chiazza, Iskalo Development
- Jon Penna, Vincent Properties
- John R. Simon, Stavatti Aerospace
- Matthew J. Fitzgerald, Phillips Lytle LLP, Counsel for Stavatti
- Robert Sugarman, Stavatti Aerospace
- Charles Deckard, Stavatti Aerospace

### Staff Present:

- Susan C. Langdon, Executive Director
- Andrea Klyczek, Assistant Director
- Dmitri Liadski, Economic Developer
- Michael S. Dudley, Finance Manager
- Caroline Caruso, Accounting Associate
- Susan Barone, Administrative Assistant
- Mark J. Gabriele, Agency Counsel

## 5.0 Approval of NCIDA Meeting Minutes

### 5.1 Meeting Minutes of August 12, 2020

***Mr. Ross motioned to approve the meeting minutes; Mr. Wolfgang seconded the motion. The motion passed.***

## 6.0 Finance & Audit Committee Reports

### 6.1 Agency Payables

Mr. McCabe stated that he had reviewed the monthly payables and found them to be in order.

***Mr. Onesi made a motion to approve the monthly payables; Mr. Wolfgang seconded the motion. The motion passed.***

### 6.2 Budget Variance Report

Mr. McCabe stated that he had reviewed the reports and found them to be in order.

***Mr. Onesi made a motion to approve the monthly payables; Mr. Wolfgang seconded the motion. The motion passed.***

## 7.0 Unfinished Business

### 7.1 Iskalo 1 East Avenue LLC

Mr. Liadski stated that a public hearing was held on September 2, 2020 and there were no comments.

#### 7.1.1 Final Resolution

***Mr. Wolfgang made a motion to approve the Final Resolution; Mr. Krempa seconded the motion. The motion passed.***

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) UNDERTAKE A CERTAIN PROJECT FOR THE BENEFIT OF ISKALO 1 EAST AVENUE LLC AND/OR AN INDIVIDUAL(S) OR AFFILIATE, SUBSIDIARY, OR ENTITY FORMED OR TO BE FORMED ON ITS BEHALF (AS MORE FULLY DEFINED 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, PILOT MORTGAGE AND RELATED DOCUMENTS: AND (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION,

**7.1.1 (continued)**

CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION FOR THE FINANCING RELATED TO THE PROJECT; AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR THE MORTGAGE RELATED TO THE PILOT AGREEMENT.

The question of the approval of the Resolution was duly put to a vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Mark Onesi	X			
Jerald I. Wolfgang	X			
Kevin McCabe	X			
William L. Ross	X			
Mary Lynn Candella				X
Robert B. Cliffe	X			
Scott Brydges	X			
Clifford Scott	X			
Jason Krempa	X			

The Resolution was thereupon duly adopted.

**7.2 Zimmies Service, Inc.**

Mr. Liadski stated that a public hearing was held on September 2, 2020 and there were no comments.

**7.2.1 Final Resolution**

***After some discussion, Mr. Ross made a motion to approve the Final Resolution; Mr. McCabe seconded the motion. The motion passed.***

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) UNDERTAKE A CERTAIN PROJECT FOR THE BENEFIT OF ZIMMIE'S SERVICE INC. AND/OR AN INDIVIDUAL(S) OR AFFILIATE, SUBSIDIARY, OR ENTITY FORMED OR TO BE FORMED ON ITS BEHALF (AS MORE FULLY DEFINED 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, PILOT MORTGAGE AND RELATED DOCUMENTS: AND (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE



**7.2.1 (continued)**

ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION FOR THE FINANCING RELATED TO THE PROJECT; AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR THE MORTGAGE RELATED TO THE PILOT AGREEMENT.

The question of the approval of the Resolution was duly put to a vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Mark Onesi	X			
Jerald I. Wolfgang	X			
Kevin McCabe	X			
William L. Ross	X			
Mary Lynn Candella				X
Robert B. Cliffe	X			
Scott Brydges	X			
Clifford Scott	X			
Jason Krempa	X			

The Resolution was thereupon duly adopted.

**7.3 Cataract Grant Fund – LSNY Holdings, LLC**

Mr. Gabriele stated that the company has requested a 6 month project completion date extension due to delays in the project as a result of the COVID crisis.

**7.3.1 Completion Date Extension**

***Mr. Scott made a motion to approve the Completion Date Extension; Mr. Krempa seconded the motion. The motion passed.***

**8.0 New Business**

**8.1 Vincent Properties, Inc.**

Ms. Langdon noted that Vincent Properties is a non-profit owner of assisted living facilities in Western New York and is under contract to purchase the Heritage Manor in Lockport, a 40 room (64 bed) long-term residential care facility, which will entail cosmetic improvements and other facility updates. They are also under contract to purchase the Heritage Manor Estates which is adjacent to Heritage Manor and consists of 12 duplex senior apartments. The company plans to operate these facilities together with Wheatfield Commons (which offers memory care units) as a senior housing community that can provide a continuum of care.

### **8.1 (continued)**

The company is requesting a deviated PILOT agreement with NCIDA for a 20 year term with fixed annual payments in the amount of \$10,000 for Heritage Manor, plus \$70,000 for Heritage Estates. Annual payments would increase 2% annually.

Mr. Jon Penna, Chief Legal Officer for the company, spoke to the Board. The seller reached out to them as a reputable non-profit operator to take over the facility and the demographic of the facility suited their non-profit purpose so they decided to acquire the properties. As a result of the COVID crisis there were some reductions in occupancy but the company worked through the issues and is on path to acquire the properties by the end of the year. The intent is to assume the management of the facility, preserve the asset, improve aesthetics, mainly cosmetic, preserve the FTE and then add at least 2 FTEs.

Mr. Gabriele explained that normally the company would seek a real property law 420 exemption for treatment as not-for-profit corporation which they are. However, in this particular case there is a deviation from the uniform tax exempt policy. Normally the PILOT amount is based on a fixed percentage of assessment, but in this case the company proposes a fixed payment along with an annual increase of 2%. The company will also explore bond financing through the Niagara Area Development Corporation. Mr. Gabriele explained that generally the maximum term for a PILOT in that case would be 20 years and the cost benefit analysis was prepared by staff with a 20-year term. If accepted, a deviation letter will be sent to all affected taxing jurisdictions giving them 30 days to reply whether they support it or not.

#### **8.1.1 Preliminary Resolution**

***Mr. Krempa made a motion to approve the Preliminary Resolution;  
Mr. Ross seconded the motion. The motion passed.***

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF VINCENT PROPERTIES INC. WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW) TO BE UNDERTAKEN BY THE AGENCY FOR THE BENEFIT OF VINCENT PROPERTIES INC. FOR ITSELF OR ON BEHALF OF AN ENTITY FORMED OR TO BE FORMED; (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) AUTHORIZING THE EXECUTIVE DIRECTOR OF THE AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION



### **8.1.1 (continued)**

#### **8.1.1 Preliminary Resolution**

WITH THE PROJECT; (iv) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY AND (v) AUTHORIZING THE DISTRIBUTION OF A PILOT DEVIATION LETTER.

#### **8.1.2 Authorize Public Hearing**

*Mr. Cliffe motioned to authorize the Public Hearing; Mr. Scott seconded the motion. The motion passed.*

#### **8.1.3 Authorize Deviation Letter**

*Mr. Wolfgang motioned to authorize the Public Hearing; Mr. Ross seconded the motion. The motion passed.*

### **8.2 Stavatti Aerospace Ltd.**

Mr. Liadski stated the project is located in the Town of Niagara and they are requesting a 15-year PILOT sales tax abatement as well as a mortgage tax abatement. The project entails Stavatti Aerospace Ltd. purchasing the vacant 150,000 sq. ft. former U.S. Army Reserve hangar for the purpose of establishing an aircraft research, design and prototype facility. This will serve as temporary headquarters. The building will be repaired, modified and improved and new machinery and equipment installed, as well as new energy efficient HVAC systems. The total project cost is \$25,875,000 with 363 new jobs anticipated.

Mr. John Simon, Chief Strategic Development and Asset Officer for Stavatti, spoke to the Board. Mr. Simon described Stavatti as an innovative aerospace and defense manufacturing enterprise that is focused on the design and production of military, commercial, and general aviation aircraft.

He stated an RFI was sent to several North American interests to find out what state or province may be interested in locating Stavatti's headquarters and manufacturing facilities, one main component being a prototyping facility, as Stavatti has yet to manufacture an aircraft. He described their site selection process and the prospect for new jobs, investment in the community and being a good community partner. They have a positive interest in the Niagara County location but he also noted some issues in locating in New York and Niagara County such as high taxes and a large investment in the proposed location. Mr. Matt Fitzgerald, counsel for Stavatti, added with a comment that they were awaiting a rezoning decision from the Town of Niagara Board from light industrial to heavy industrial district. They cannot proceed with due diligence without this rezoning, which is scheduled to be voted on by the Town on October 14, 2020.

## 8.2 (continued)

Mr. Scott inquired about the aircraft type to be manufactured and the types of jobs created post-construction. Mr. Simon replied with some details on proposed aircraft and the creation of many professional-type positions such as engineering.

Mr. Wolfgang inquired about environmental concerns, plans for the administrative space, the rationale of the amount being financed, electrical usage and staffing plans for this project. Mr. Simon acknowledged they were aware of the environmental concerns and both Mr. Simon and Mr. Fitzgerald stated that it is a work in progress until the property is acquired and these issues will be part of their due diligence.

### 8.2.1 Preliminary Resolution

***Mr. Ross made a motion to approve the Preliminary Resolution; Mr. Krempa seconded the motion. The motion passed.***

RESOLUTION OF THE NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF STAVATTI AEROSPACE LTD. WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW) TO BE UNDERTAKEN BY THE AGENCY FOR THE BENEFIT OF STAVATTI AEROSPACE LTD. 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 AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH THE PROJECT; (iv) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY.

### 8.2.2 Authorize Public Hearing

***Mr. Cliffe motioned to authorize the Public Hearing; Mr. Scott seconded the motion. The motion passed.***

## 9.0 Agency Counsel

Mr. Gabriele proposed changing the October NCIDA Board meeting from October 14<sup>th</sup> to the 21<sup>st</sup> keeping it at one meeting in October on a Wednesday, which will accomplish timing for Vincent Properties and Stavatti outstanding matters. All board members agreed.

**10.0 Information Items**

There were no information items at this time.

**11.0 Any Other Matters the Board Wishes to Discuss**

Mr. Wolfgang inquired about the status of the Hotel Niagara extension. Mr. Gabriele explained that he sent a letter to the company and their counsel that the Board had approved 3rd and final extension for 6 months and that more information is necessary from them regarding the project. No response yet. Will follow up in two weeks.

**12.0 Next: NCIDA/NCDC/NADC Board Meeting:**

**DATE: OCTOBER 21, 2020**

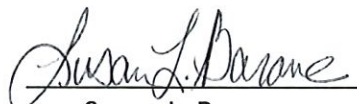
**TIME: 9:00 a.m.**

**PLACE: Niagara County Center for Economic Development**

**13.0 Adjournment**

***Mr. Scott made a motion to adjourn; Mr. Wolfgang seconded the motion. The meeting adjourned at 10:09 a.m.***

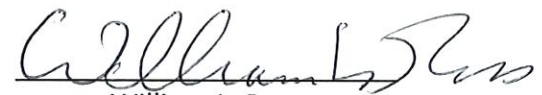
Respectfully submitted:

  
Susan L. Barone  
Administrative Assistant

Reviewed by:

  
Susan C. Langdon  
Executive Director

Approved by:

  
William L. Ross  
Secretary