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3 NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

4 PUBLIC HEARING FOR STERLING ENERGY GROUP

5 December 2, 2014

6 3:30 P.M.

7
8 Taken at: NIAGARA FALLS CITY HALL
9 745 Main Street
10 Room 117
11 Niagara Falls, New York 14302

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19 RECEIVED
20 DEC 08 2014
21 NCIDA
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1 PRESENT: SUSAN LANGDON,
 As Hearing Officer.
2 Niagara County Industrial
 Development Agency,
3 Director of Project Development.

4 REPORTED BY: DAWN M. SITERS,
5 Court Reporter.

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8 ATTENDANCE NOTED ON ATTACHED SIGN-IN SHEET

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11 INDEX TO SPEAKERS

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RICHARD SMITH.....	6

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16 MS. LANGDON: Good

17 afternoon. My name is Susan Langdon, Director of
18 Project Development for the Niagara County
19 Industrial Development Agency. I'll be serving as
20 hearing officer for this public hearing. It is
21 now 3:35 P.M.

22 The purpose of this hearing is to
23 solicit comments, both written and oral, on the

1 Sterling Energy Group project in the City of Niagara
2 Falls. The company is seeking permanent financing
3 in the amount of up to twenty-five million dollars
4 through a taxable bond issue for its Frontier Avenue
5 facility. The NCIDA must approve the assignment to
6 a related company of the existing leaseback and
7 Payment-in-Lieu-of-Tax Agreement that are already in
8 place. The Agency must also consent to the Mortgage
9 with exemption benefits.

10 I have copies of the project's
11 cost/benefit analysis, project summary and project
12 application here on the table. Comments can be in
13 support of, or in opposition to, or on the nature or
14 location of the project. All comments are to be
15 limited to this project only.

16 I will now read the Notice of
17 Public Hearing. Notice is hereby given that a
18 public hearing pursuant to Article 18-A of the New
19 York General Municipal Law will be held by the
20 Niagara County Industrial Development Agency (the
21 "Agency"), on the 2nd day of December, 2014 at 3:30
22 P.M. local time, at Niagara Falls City Hall, Room
23 117, 745 Main Street, Niagara Falls, New York 14302,

1 in connection with the following matter.

2 Sterling Energy Group, Inc.,
3 and/or an individual or affiliate, subsidiary, or
4 entity or entities formed, or to be formed on its
5 behalf (the "Company"), has submitted an application
6 to the Agency, a copy of which is on file at the
7 office of the Agency. The Company is the successor
8 to Niagara Generation, LLC, with the Agency
9 consenting to the Assignment and Assumption of
10 existing project, located at 5300 Frontier Avenue in
11 the City of Niagara Falls, County of Niagara, New
12 York, to the Company. The Company has also
13 requested the consent of the Agency to a mortgage
14 and/or taxable bond financing in the amount of
15 approximately twenty-five million dollars, together
16 with a mortgage tax exemption.

17 The Agency will retain title to,
18 or a leasehold interest in, the Facility and lease
19 the Facility back to the Company. The Company will
20 operate the Facility during the term of the lease.
21 At the end of the lease term, the Company will
22 purchase the Facility from the Agency, or if the
23 Agency holds a leasehold interest, the leasehold

1 interest will be terminated. The Agency
2 contemplates that it will provide financial
3 assistance (the "Financial Assistance") to the
4 Company in the form of mortgage tax exemption
5 consistent with the policies of the Agency.

6 A representative of the Agency
7 will be at the above-stated time and place to
8 present a copy of the Company's project application
9 and hear and accept written and oral comments from
10 all persons with views in favor of, or opposed to,
11 or otherwise relevant to the proposed Financial
12 Assistance.

13 This public hearing is being
14 conducted in accordance with Subdivision 2 of
15 Section 859-a of the New York General Municipal Law.
16 Dated November 19, 2014, Niagara County Industrial
17 Development Agency, by Samuel M. Ferraro, Executive
18 Director.

19 I will now open the hearing for
20 comments. Please remember to give your name,
21 address, and organization you may represent. Direct
22 all comments to the Chair. Your comments should be
23 made on this project only.

1 Does anyone wish to speak?

2 Mr. Smith.

3 RICHARD SMITH: Richard Smith,
4 1021 96th Street, Niagara Falls, New York, 14304;
5 Chairman, Niagara Falls Planning Board.

6 I wasn't going to speak on this
7 project today, but as I've been attending the city
8 budget hearings, I felt I had to say something.

9 I'm against the IDA tax breaks,
10 not only for this company, but for all companies
11 wanting to start a business in the city. In light
12 of the potential tax increase in the city budget
13 and the potential Niagara County tax increase, I
14 feel that any new PILOT for any company is not good.
15 These PILOT programs do nothing for existing
16 businesses, and the city collects nothing until the
17 PILOT is finished. What happens if the business
18 granted the PILOT fails? Nothing. They close,
19 leave the area, and never have to repay anything.

20 I've never thought PILOTs were
21 good, but in the face of the upcoming city and
22 county budgets, I'm really against them, not just
23 for this company that is in front of you today, but

1 for all that are asking us for any tax breaks.

2 Thank you.

3 MS. LANGDON: Thank you.

4 There's no one else here to speak. I will close the

5 hearing. It's now 3:39 P.M.

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**NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Niagara County Industrial Development Agency (the "Agency") on the 2nd day of December, 2014, at 3:30 p.m., local time, at Niagara Falls City Hall, Room 117, 745 Main Street, Niagara Falls, New York 14302, in connection with the following matter:

STERLING ENERGY GROUP, INC., and/or an individual(s) or affiliate, subsidiary, or entity or entities formed or to be formed on its behalf (the "Company"), has submitted an application to the Agency, a copy of which is on file at the office of the Agency. The Company is the successor to Niagara Generation LLC, with the Agency consenting to the Assignment and Assumption of existing project, located at 5300 Frontier Avenue, in the City of Niagara Falls, County of Niagara, New York, to the Company. The Company has also requested the consent of the Agency to a mortgage and/or taxable bond financing in the amount of approximately \$25,000,000, together with a mortgage tax exemption.

The Agency will retain title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Agency, or if the Agency holds a leasehold interest, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of mortgage tax exemption consistent with the policies of the Agency.

A representative of the Agency will be at the above-stated time and place to present a copy of the Company's project application and hear and accept written and oral comments from all persons with views in favor of or opposed to or otherwise relevant to the proposed Financial Assistance.

This public hearing is being conducted in accordance with Subdivision 2 of Section 859-a of the New York General Municipal Law.

DATED: November 19, 2014

NIAGARA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Samuel M. Ferraro
Executive Director

Richard Smith
1021 96th Street
Niagara Falls, NY

Chairman, Niagara Falls Planning Board

I wasn't going to speak on this project today but, as I have been attending the City Budget hearings, I felt I had to say something.

I am against the IDA tax breaks. Not only for this company, but for all companies wanting to start a business in the City. In light of the potential tax increase in the City budget and the potential Niagara County tax increase, I feel that any new PILOT for any company is not good.

These PILOT programs do nothing for existing businesses and the City collects nothing until the PILOT is finished. What happens if the business granted the PILOT fails?? Nothing. They close, leave the area and NEVER have to repay anything.

I have never thought PILOTS were good, but in the face of the upcoming City and County budgets, I am really against them. Not just for the Company that is in front of you today, but for all that are asking us for any tax breaks.

