

NCIDA

APPLICATION FOR ASSISTANCE

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Each applicant seeking assistance must complete the accompanying application material which includes the Application for Assistance and Environmental Assessment form. A non-refundable application fee of \$1,000.00 must be included with this application, payable to the Niagara County Industrial Development Agency. Every project seeking NCIDA assistance must use best efforts to use local labor for the construction of new, expanded or renovated facilities.

Please answer all questions. Use "none" or "not applicable" where necessary. Information in this application may be subject to public review under New York State Law, except for information that is considered deniable by the Freedom of Information Law. This form is available online at our web page at www.nccedev.com.

I. APPLICANT DATA

A. **APPLICANT NAME** _____ Sterling Energy Group, Inc. _____

ADDRESS _____ 532 Connecticut St. _____

CITY/STATE/ZIP _____ Gary, IN 46402 _____

B. **APPLICANT'S OFFICER RESPONSIBLE FOR COMPLETING THIS APPLICATION**

NAME _____ William J. Harrington _____

TITLE _____ President & CEO _____

MAILING ADDRESS _____ 532 Connecticut St _____

CITY/STATE/ZIP _____ Gary, IN 46402 _____

TELEPHONE _____ 219-886-0661 _____

FAX _____ 219-886-1388 _____

E-MAIL _____ bharrington_1@msn.com _____

APPLICANT'S TAX
ID NUMBER _____ 45-4728859 _____

6311 Inducon Corporate Drive, Suite One, Sanborn, New York 14132
(716) 278-8760 Fax (716) 278-8769

- C. **BUSINESS TYPE**
- Sole Proprietorship
 - Partnership
 - Privately-held Corporation
 - Public Corporation
 - Not-for-Profit Corporation
 - LLC
 - Other

D. **STATE OF INCORPORATION:**

Indiana

E. **IS APPLICANT AUTHORIZED TO DO BUSINESS IN NEW YORK STATE?**

Yes No

F. **PRINCIPAL STOCKHOLDERS** (Owners of 20% or more of Stock Outstanding)

Name	%	Corporate Title
<u>William J. Harrington</u>	<u>44.0</u>	<u>President & CEO</u>
<u>Fred L. Solomon</u>	<u>29.3</u>	<u>Executive Vice President</u>

G. **Has the Applicant (or any related entity) received previous NCIDA assistance?**

Yes No.

If yes, please give year(s) and project location

H. **APPLICANT'S LEGAL COUNSEL**

FIRM NAME Hiscock & Barclay

ADDRESS One Park Place

CITY/STATE/ZIP Syracuse, NY 13202

TELEPHONE 315-425-2710

ATTORNEY'S NAME Richard R. Capozza

E-MAIL rcapozza@hblaw.com

II. PROJECT & OCCUPANCY DATA

A. LOCATION OF PROPOSED PROJECT FACILITY

ADDRESS _____ 5300 Frontier Avenue, Niagara Falls, NY 14304 _____

PRINCIPAL USE _____ Power Plant - Generation Facility _____

SBL # _____

ZONING _____

B. INDICATE MUNICIPAL JURISDICTION

TOWN _____

VILLAGE _____

CITY _____ Niagara Falls _____

SCHOOL DISTRICT _____

C. CURRENT OWNERSHIP OF PROPERTY

CURRENT OWNER _____ U.S. Renewables Group _____

CURRENT ASSESSMENT _____ \$30,000,000 _____

CURRENT TAXES (ANNUAL) _____ \$300,000 - PILOT _____

D. Who are the principal user(s) of the facility (the "Company")? If there are multiple users, please indicate on attached sheet. If same as Applicant indicate the "same" below.

COMPANY NAME _____ same _____

ADDRESS _____

CITY/STATE/ZIP _____

CONTACT _____

TELEPHONE _____

TAX ID NO. _____

% OF FACILITY TO BE OCCUPIED BY COMPANY _____ 100% _____

E. **Are other facilities or related companies located within New York State:**

Yes No

LOCATION _____

If there are other company facilities within the State, will any of these close or be subject to reduced activity?

Yes No

F. **Has the company actively sought sites and/or facilities in another country or state?**

Yes No

If yes, please describe on separate sheet. Yes, we are pursuing power plant acquisition opportunities in Indiana.

G. **Description of project (check one or more)**

New Construction Sq. Footage _____
 Addition to existing facility Sq. Footage _____
 Renovation and modernization of existing facility
 Acquisition and modernization of existing facility
 New machinery and equipment Production _____ Non-Production _____
 Other (specify) _____

H. **Provide a general narrative description of the project, including history and background on user(s) of the facility. Provide information on (Appendix A) for user(s) of the facility. Describe reasons why this project is necessary and its effect it will have on Applicant. Include site plans, renderings, photos, etc.**

_ Power Plant in Niagara Falls, NY to be retrofit and brought back on line generating ~50 MW of power capacity. This would save from closure an existing facility previously run by US Renewable Groups and others, and bring in 25 permanent jobs. Sterling needs \$2 M for equipment improvements. Sterling Energy Group management will be staying in local hotels. Once retrofit of power plant and construction of fuel site complete, plant will provide 50 MW of power to the area creating 25 jobs generating annual payroll of approximately \$1.5 Million.

III. COMPANY EMPLOYMENT INFORMATION

A. **Total current employment within Niagara County is**

 1 Full-Time _____ Part-Time

**Current Annual Payroll
Including benefits** \$ 75,000

B. **Projected Employment:**

Applicant or principal user(s) must complete Appendix A.

IV. EMPLOYMENT IMPACT

Every project seeking NCIDA assistance must use best efforts to use Niagara County labor for the construction of new, expanded or renovated facilities. This requirement includes all project employees of the General Contractor, Subcontractor or sub to a Subcontractor, working on the project. Applicant agrees and understands the obligations herein, and agrees to transmit and convey in a timely fashion this requirement to all applicable contractors, subcontractors, suppliers and materialmen.

A. Will Niagara County contractors and/or subcontractors be utilized for the construction project?

 X Yes _____ No

B. What is the estimated number of construction jobs to be created at the project site from August-Year End

Niagara County: 20-25 Erie County: _____ Other Areas _____

V. APPLICANT PROJECT COSTS AND FINANCING

- A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project by the applicant.

Estimated Costs Eligible for Sales Tax Exemption Benefit

a.	Building Construction or Renovation Costs	a.	\$ <u>2,000,000</u>
b.	Sitework	b.	\$ _____
c.	Non-manufacturing Equipment	c.	\$ _____
d.	Furniture, Fixtures	d.	\$ _____
e.	Other (specify) Raw Materials	e.	\$ _____
f.	Subtotal	f.	\$ <u>2,000,000</u>

Estimated Costs Not Subject to Sales Tax

g.	Land and/or Building Purchase	g.	\$ _____
h.	Manufacturing Equipment	h.	\$ _____
i.	Soft Costs (Legal, Architect, Engineering)	i.	\$ _____
j.	Other (specify) _____	j.	\$ _____
k.	Subtotal	k.	\$ _____

Total Project Costs **f + k** \$ _____

- B. Indicate how the project will be financed

a.	Tax-Exempt IRB	a.	\$ _____
b.	Tax-Exempt Bond	b.	\$ _____
c.	Taxable Industrial Revenue Bond	c.	\$ _____
d.	Bank Financing	d.	\$ _____
e.	Public Financing	e.	\$ _____
f.	Equity	f.	\$ _____

TOTAL SOURCES \$ _____

Estimated Amount of Mortgage \$ _____

C. **If applicant expects the Tax-Exempt IRB to exceed \$1,000,000, what is the dollar value of “capital expenditures” that the applicant and company, or any related company or person, has expended within the last three years in the municipality in which the proposed project is to be located and expects to expend in that municipality three years after the bond issue?**

_____.

D. **Has the applicant made any arrangements for the financing of the project?**

_____ Yes X No

If so, please specify bank, underwriter, etc.

_____.

VI. PROJECT CONSTRUCTION INFORMATION

A. **What is the proposed commencement date of construction or acquisition of the project?**

_____ 8/15/2013 _____

B. **Outline the timetable for the project, indicating when project will be in full use.**

_____ Project Start Date 8/15/2013

_____ Power Plant Maintenance Completion Date 10/30/2013 _____

_____ Fuel Site Construction Completion Date 11/30/13 _____

VII. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. First Consideration for Employment: In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. Annual Sales Tax Filings: In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
- D. Annual Employment Reports: The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- E. Absence of Conflicts of Interest: The Applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described: _____
- F. Local Labor: The Applicant understands that the residents of Niagara County will be providing assistance to the project. The Applicant further understands that every project seeking NCIDA assistance must use best efforts to use Niagara County labor for the construction of new, expanded or renovated facilities. This requirement includes all project employees of the General Contractor, Subcontractor or sub to a Subcontractor, working on the project. Applicant agrees and understands the obligations herein, and agrees to transmit and convey in a timely fashion this requirement to all applicable contractors, subcontractors, suppliers and materialmen.

VIII. ENVIRONMENTAL ASSESSMENT

New York State law requires that an Environmental Assessment Form (EAF) must be completed and submitted along with this application. Attach the EAF which was submitted to the municipality.

Name of Applicant's Officer Responsible for Completing Application:

(Please Print)

William J. Harrington

Signature



Date of Application

7/12/2013

CERTIFICATION

William J. Harrington

Name of chief executive of the company submitting application

Deposes and says that he/she is the _____ President & CEO _____

of _____ Sterling Energy Group, Inc. _____, the corporation named in the

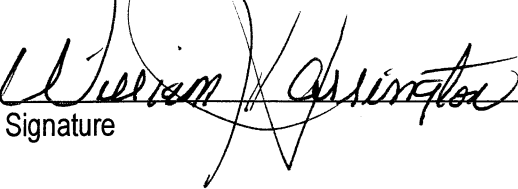
attached application; that he/she has read the foregoing application and knows the contents thereof; that the same is true to

his/her knowledge. Deponent further says the reason this verification is made by the deponent and not by _____

_____ Sterling Energy Group, Inc. _____, (company name) is because the said company is a corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his/her duties as an officer of and from the books and papers of said corporation.

As officer of said corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the nonprofit Niagara County Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of the attached application whether or not the application, the project it describes, the attendant negotiations and ultimately the necessary issue of bonds and/or completion of the lease/leaseback transaction are ever carried to successful conclusion. If, for any reason whatsoever, the applicant fails to act within a reasonable or specified period of time to take reasonable, proper, or requested actions or withdraws, abandons, cancels, or neglects the application or if the Agency or applicant are unable to identify buyers willing to purchase the total bond issue required or facilitate the lease/leaseback transaction, then upon presentation of invoice, applicant shall pay to the Agency, its agents, or assigns all actual costs involved in conduct of the application, up to that date and time, including but not necessarily limited to fees of bond counsel for the Agency and fees of general counsel for the Agency. Upon successful conclusion and sale of the required bond issue or completion of the lease/leaseback transaction, the applicant shall pay to the Agency an administrative fee set by the Agency. The cost incurred by the Agency and paid by the applicant, including bond counsel and the Agency's general counsel's fees and the administrative fee, may be considered as a cost of the project and included as part of the resultant bond issue or lease/leaseback transaction.

William J. Harrington
Print Name of Chief Executive


Signature

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

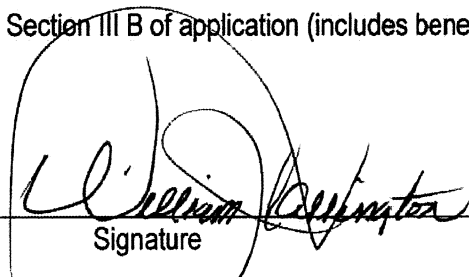
PROJECTED EMPLOYMENT*

	Full-Time	Part-Time	Total	Total Payroll*
Total number of employees within Niagara County at the date of application	___ 0 ___ +	_____	___ 0 ___	___ 0 ___
Total number of employees to be directly <u>IMPACTED</u> by the project:	___ 0 ___ +	_____	_____	___ 0 ___
ADD: Number of new jobs to be created During the first year after completion:	___ 18 ___ +	_____	_____	___ 1,100,000 ___
Total end of first year:	___ 18 ___ +	_____	_____	___ 1,100,000 ___
ADD: Number of new jobs to be created During the second year after completion:	___ 18 ___ +	_____	_____	___ 1,100,000 ___
Total end of second year:	___ 18 ___ +	_____	_____	___ 1,100,000 ___
ADD: Number of new jobs to be created During the third year after completion:	___ 18 ___ +	_____	_____	___ 1,100,000 ___
Total end of third year:	___ 18 ___ +	_____	_____	___ 1,100,000 ___
Estimated average annual salary of <u>new</u> jobs to be created:	___ 60,000 ___			
Expected high salary of <u>new</u> jobs to be created:	___ 138,000 ___			
Expected low salary of <u>new</u> jobs to be created:	___ 35,000 ___			

List types of jobs (i.e. production, managerial, clinical, engineering, etc.) to be created.
20 Production, 3 Management, 2 administrative

*Applicant or principal user(s) as noted in Section III B of application (includes benefits)

William J. Harrington
Print Name


Signature

7/18/13
Date

PROJECT ID NUMBER

SEQR

617.20
APPENDIX C
STATE ENVIRONMENTAL QUALITY REVIEW

SHORT ENVIRONMENTAL ASSESSMENT FORM

for UNLISTED ACTIONS Only

PART 1 - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

1. APPLICANT / SPONSOR Sterling Energy Group, Inc.	2. PROJECT NAME Sterling Energy - Niagara Generation
---	---

3. PROJECT LOCATION: Niagara Falls, NY Municipality	Niagara County
---	-------------------

4. PRECISE LOCATION: Street Address and Road Intersections, Prominent landmarks etc - or provide map
5300 Frontier Avenue, Niagara Falls, NY 14304

5. IS PROPOSED ACTION : New Expansion Modification / alteration

6. DESCRIBE PROJECT BRIEFLY:
Power Plant in Niagara Falls, NY to be retrofit and brought back on line generating ~50 MW of power capacity. This would save from closure an existing facility previously run by US Renewable Groups and others, and bring in 25 permanent jobs. Total project cost >\$20M, Sterling needs \$7M for improvements. Storage facility at nearby Fuel Site property would include a Warehousing structure and a CNG fueling station creating local construction jobs and related job opportunities. Sterling Energy Group management will be staying in local hotels. Once retrofit of power plant and construction of fuel site complete, plant will provide 50 MW of power to the area creating 25 jobs generating annual payroll of approximately \$1.5 Million.

7. AMOUNT OF LAND AFFECTED:
Initially 20 acres Ultimately 20 acres

8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER RESTRICTIONS?
 Yes No If no, describe briefly:

9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? (Choose as many as apply.)
 Residential Industrial Commercial Agriculture Park / Forest / Open Space Other (describe)

10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (Federal, State or Local)
 Yes No If yes, list agency name and permit / approval:

11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL?
 Yes No If yes, list agency name and permit / approval:
NYSDEC Air Permit, Niagara Falls Water Board Wastewater Discharge, NYSDEC Fuel Storage Permits

12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT / APPROVAL REQUIRE MODIFICATION?
 Yes No

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE
Applicant / Sponsor Name William J. Harrington Date: July 16, 2013
Signature *William J. Harrington*

If the action is a Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment