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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
IN THE MATTER OF THE  
FALLS ROAD RAILROAD CO., INC.,  
MARCH 9, 2010 4:00 p.m.  
NIAGARA COUNTY COURTHOUSE 175 HAWLEY STREET  
LOCKPORT, NEW YORK 14094

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APPEARANCES: LAWRENCE WITUL,  
Assistant Director.  
  
ANDREA P. EGOLF,  
Court Reporter.

1 MR. WITUL: Good afternoon. My name is  
2 Lawrence Witul, Assistant Director of the  
3 Niagara County Industrial Agency. I will  
4 be serving as hearing officer for this  
5 public hearing.

6 It is now 4:06 p.m. A copy of the  
7 project summary and application for  
8 assistance is available for review.

9 Both the project summary and the notice  
10 of public hearing has been made available  
11 to those attendance.

12 The purpose of this hearing is to  
13 solicit comments, both oral and written,  
14 on the Niagara Falls Road Railroad  
15 Company, Inc., Project, Niagara County  
16 New York. Comments can be in support of  
17 or opposition to the project or on the  
18 nature or location of the project. All  
19 comments are to be limited to Falls Road  
20 Railroad Company, Incorporated Project.  
21 This hearing is not for accepting  
22 comments on environmental issues nor  
23 environmental determination and this is

1 not a part of the New York SEQRA Process.

2 Notice of Public Hearing. Notice is  
3 hereby given that a public hearing  
4 pursuant to Article 18-A of the New York  
5 General Municipal Law will be held by the  
6 Niagara County Industrial Development  
7 Agency (the agency) on the 9th day of  
8 March, 2010, 4:00 p.m., local time, at  
9 the Niagara County Courthouse, 175 Hawley  
10 Street, Lockport, New York 14094, in  
11 connection with the following matter:

12 Falls Road Railroad Company, Inc.,  
13 for itself or on behalf of an entity  
14 formed or to be formed (the company), has  
15 requested the agency's assistance with  
16 respect to a certain project (the  
17 project) consisting of the retention by  
18 the agency of its leasehold interest in  
19 the company's existing railroad operation  
20 that runs between Lockport, Niagara  
21 County and Brockport, Monroe County (the  
22 facility).

23 The agency will retain a leasehold

1 interest in the facility and continue to  
2 lease such interest in the facility back  
3 to the company. The company will operate  
4 the facility during the term of the  
5 lease. At the end of the lease term, the  
6 agency's leasehold interest in the  
7 facility will be terminated. The agency  
8 contemplates it will provide financial  
9 assistance (the financial assistance) to  
10 the company in the form of abatement or  
11 exemption from real property taxes levied  
12 against the facility, pursuant to a  
13 payment-in-lieu-of-tax agreement to be  
14 entered into by the agency and the  
15 company, subject to compliance with the  
16 agency's policy with respect to  
17 payment-in-lieu-of-tax agreement or  
18 procedures for deviation from the  
19 agency's policy have been completed in  
20 accordance with the provisions of the New  
21 York General Municipal Law.

22 A representative of the Agency will  
23 be at the above-stated time and place to

1 present a copy of the application and  
2 hear and accept written and oral comments  
3 from all persons with views in favor of  
4 or opposed to the proposed financial  
5 assistance.

6 This public hearing is being  
7 conducted in accordance with Subdivision  
8 2 of Section 859-a of the New York  
9 General Municipal Law.

10 Dated January 29, 2010. Niagara  
11 County Industrial Agency. Samuel M.  
12 Ferraro, Executive Director.

13 I will open the hearing for  
14 comments. Once you have been recognized,  
15 please give your name and address and the  
16 organization you might represent. Please  
17 direct all your comments to the chair and  
18 your comments should be limited to this  
19 project.

20 RICHARD LANG: Just my question is of how much  
21 in arrears they are and what process is  
22 going to take place?

23 MR. WITUL: I believe they are three years

1 in arrears. Whatever the amount is we  
2 have taken that full amount and included  
3 it in the future payment-in-lieu-of-tax  
4 agreement that would be in place. So the  
5 municipality should repeat seeing the  
6 current prorated tax and also a portion  
7 of the arrearage of the property taxes.  
8 So at some point in the future the  
9 municipality will be made whole on what  
10 has not been paid and they will be  
11 current with the operation.

12 RICHARD LANG: Okay. Thank you.

13 MR. WITUL: You're more than welcome. Any  
14 further comments.

15 Okay. It is now 4:12 p.m., there  
16 being no further comments, I will close  
17 the hearing and thank you for your  
18 attendance.

19 \* \* \* \* \*

1 STATE OF NEW YORK)

2 SS:

3 COUNTY OF NIAGARA)

4

5 I, ANDREA P. EGOLF, a Notary Public

6 in and for the State of New York, County of

7 Niagara, DO HEREBY CERTIFY that the

8 proceedings were taken down by me in a

9 verbatim manner by means of Machine

10 Shorthand. That the deposition was then

11 reduced in writing under my direction. That

12 the deposition was taken to be used in the

13 above-entitled action. That the said

14 deponent, before examination, was duly sworn

15 by me to testify to the truth, the whole

16 truth and nothing but the truth, relative to

17 said action.

18 I further CERTIFY that the

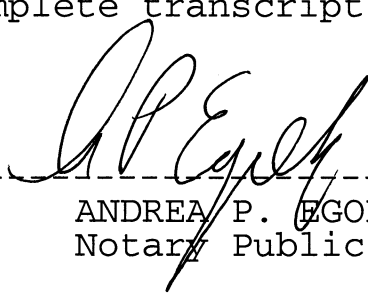
19 above-described transcript constitutes a true

20 and accurate and complete transcript of the

21 testimony.

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ANDREA P. EGOLF,  
Notary Public.

ANDREA P. EGOLF  
COURT REPORTER

## 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 **9th day of March, 2010 at 4:00 p.m.**, local time, at the Niagara County Courthouse, 175 Hawley Street, Lockport, New York 14094, in connection with the following matter:

**FALLS ROAD RAILROAD CO., INC.**, for itself or on behalf of an entity formed or to be formed (the "Company"), has requested the Agency's assistance with respect to a certain project (the "Project") consisting of the retention by the Agency of its leasehold interest in the Company's existing railroad operation that runs between Lockport, Niagara County and Brockport, Monroe County (the "Facility").

The Agency will retain a leasehold or other interest in the Facility and continue to lease such interest in 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 Agency's leasehold interest in the Facility will be terminated. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of an abatement or exemption from real property taxes levied against the Facility, pursuant to a payment-in-lieu-of-tax agreement to be entered into by the Agency and the Company, subject to compliance with the Agency's policy with respect to payment-in-lieu-of-tax agreements or procedures for deviation from the Agency's policy have been completed in accordance with the provisions of the New York General Municipal Law.


A representative of the Agency will be at the above-stated time and place to present a copy of the Application and hear and accept written and oral comments from all persons with views in favor of or opposed 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: January 29, 2010

**NIAGARA COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_

  
Samuel M. Ferraro  
Executive Director



**Niagara County Industrial Development Agency**  
**Project Summary Sheet**  
**Falls Road Railroad Co., Inc. (1/1/09)**  
**Project No. 09-04**

**Applicant:** Falls Road Railroad Co., Inc.

**Project Location:** Niagara County

**Assistance:** PILOT

**Description:** Falls Road Railroad is a shortline railroad that operates between Lockport, Niagara County and Brockport, Monroe County, providing rail freight services to manufacturers and processors. The railroad's major customer is the ethanol plant located in Medina for the inbound movement of corn and ethanol being shipped out by tankers.

In addition to the freight operation, The Medina Railroad Museum operates tourist excursion trains between Lockport and Medina during the summer and fall months. This has been a very successful attraction to the area drawing people from both within and outside the region.

The Falls Road Railroad Co., Inc. is an existing project of both the Niagara and Orleans County IDAs'. There have been a number of agreements and modifications to the agreements that have been made to keep the railroad operational. At this time the Falls Road Railroad and the NCIDA / OCIDA would like to enter into a new agreement that better defines the obligations of the Railroad and benefits to the two Agency's / County's.

The new agreement sets forth a schedule of payments for the PILOT arrearages (1997 - 2008) along with a payment of the current fiscal year. Additionally, there is a proposed 15 year PILOT supported with an Irrevocable Letter of Credit in lieu of a PILOT Mortgage. Because of the increase in rail freight traffic and larger numbers of tourists for the excursion train, Falls Road Railroad will be in a better financial position to meet its' obligations.

**Project Costs:** No New Investment - Some rail upgrades and maintenance

**Economic Impacts:** Provides freight serving to existing and new industry and serves the tourist excursion trains of Median Railroad.

**Staff Recommendations:**

- Project is consistent with Agency policy and legislation.
- Improves and defines PILOT payments and schedules
- Insures continuity of operations and service



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11          current with the operation.

12        RICHARD LANG: Okay. Thank you.

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19                               \* \* \* \* \*

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