

Niagara County Industrial Development Agency
6311 Inducon Corporate Dr. - Sanborn, New York 14132
(716) 278-8760 Fax (716) 278-8769

Application for Assistance

Please answer all questions on the **Niagara County Industrial Development Agency Application and Environmental Assessment Form**. Information submitted as part of this application will not be made public prior to the passage of an Official Action Resolution by the Agency. After such action, this information may be subject to disclosure under the New York State Freedom of Information Act.

Prior to application submission, this project was reviewed with _____ of the Niagara County Industrial Development Agency and assigned Project Number _____.

Application was prepared in consultation with NCIDA counsel and staff.

I. Company Data

A. Company Name: **The Kissling Interests, LLC**
Address: **298 Main Street, Suite 400
Buffalo, NY 14202**

Telephone: **716-853-2787** Fax: **716-853-2792**
Email: **tkissling@kaps.com** Website: **www.kaps.com**
IRS Identification No.: **22-365-2638**

Company official completing this application and authorized to respond on behalf of the company:

Name: **Anthony Kissling** Title: **Member**

B. Company Owners, Officers, Directors and Partners: List name and home address, title and other principal business affiliations.

<u>Name</u>	<u>Address</u>	<u>Title</u>
Anthony M. Kissling	7 Mindoro Street, Sewall's Point, FL 34996	Member, Stockholder
Jennifer K. Ziegler	53 Highland Avenue, Fair Haven, NJ 07704	Stockholder
Amanda K. Smith	358 Grant Park Place, Atlanta, GA 30315	Stockholder

C. Legal Counsel: **Thomas J. Caserta**
Address: **800 Main Street, Suite 4C
Niagara Falls, New York 14302**
Telephone: **716-284-7886** Fax:
Email:

D. Accountant (Firm): **Freed Maxick & Battaglia, PC**
 Address: **800 Liberty Building**
Buffalo, NY 14202
 Telephone: **716-847-2651** Fax: **716-847-0069**
 Email: **adrienne.jones@freedmaxick.com**

E. Principal Bank of Account: **First Niagara Financial Group**

F. Type of Business Corporation Sub Chapter S Partnership
 Sole Proprietorship Other **LLC**

G. Is Company authorized to do business in New York State? Yes No

H. Principal Stockholders with 5% or more of stock outstanding in the company:

<u>Name</u>	<u>Address</u>	<u>% of Holding</u>
Anthony M. Kissling	7 Mindoro Street, Sewall's Point, FL 34996	90%
Jennifer K. Ziegler	53 Highland Avenue, Fair Haven, NJ 07704	5%
Amanda K. Smith	358 Grant Park Place, Atlanta, GA 30315	5%

I. List subsidiary, associate, and/or affiliated companies of applicant.

174 West Huron Associates	350 5th Avenue, Suite 7717, New York, NY 10118
195 Spring Street Realty Associates	350 5th Avenue, Suite 7717, New York, NY 10118
Butterfield 8 Corp	350 5th Avenue, Suite 7717, New York, NY 10118
East 70th Street Holding Associates	350 5th Avenue, Suite 7717, New York, NY 10118
Hamilton Heights Associates, LLC	350 5th Avenue, Suite 7717, New York, NY 10118
The Kanandague Interests,, LLC	298 Main Street, Suite 400, Buffalo, NY 14202
Main & Cathedral Development, LLC	298 Main Street, Suite 400, Buffalo, NY 14202
Romeo-Kilo Corp	298 Main Street, Suite 400, Buffalo, NY 14202
Tockwotten Associates, LLC	350 5th Avenue, Suite 7717, New York, NY 10118
Tockwotten Associates, Inc	350 5th Avenue, Suite 7717, New York, NY 10118
Tower Apartments, Inc	298 Main Street, Suite 400, Buffalo, NY 14202
Wampanoag Development Co, LLC	350 5th Avenue, Suite 7717, New York, NY 10118

J. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes No

Kissling Interests, LLC is a frequent plaintiff in Landlord/Tenant Court.

Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes No

Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt?

Yes No

If the answer to any of the above questions is yes, please, furnish details in a separate attachment.

K. Identify the assistance being requested of the Agency:

- (1) Bond financing for new project; estimated amount \$ _____
- (2) Bond/project refinancing; estimated amount \$ _____
- (3) Lease/sale back
- (4) Assignment of lease
- (5) Exemption from Sales Tax; estimated benefit \$ _____
- (6) Exemption from Mortgage Tax; estimated benefit \$ _____
- (7) Exemption from Real Property Tax; estimated benefit \$ _____

If you have selected (5),(6) or (7), indicate whether you are seeking a deviation from the Agency's uniform tax exemption policy: Yes ; No . If the answer is yes, please furnish details in a separate attachment.

- (8) Other (please furnish details in a separate attachment)

II. Business Data

A. Company Background

- 1. Describe when and where was the company established?

The Kissling family has been in the real estate business for over 130 years. In an effort to expand their operations to markets outside of Manhattan, Anthony Kissling formed The Kissling Interests, LLC and began looking at property in numerous cities throughout New York State. The Kissling Interests, LLC purchased its first building in Buffalo in 1999.

- 2. Describe the type of business

The Kissling Interests, LLC and its affiliated companies purchase historic apartment buildings and commercial properties, completely renovate the buildings, and oversee the day-to-day operations of the units that they lease.

The proposed project at 184 Sweeney Street involves the renovation and rehabilitation of an approximate 164,367 square foot slab-on-grade four-story reinforced concrete building and an adjoining 3,154 square foot slab-on-grade one-story brick building to revitalize and transform this facility into a high-tech business incubator supporting 51 work/live loft spaces on the upper three floors. In addition, office space will be provided to the Niagara County Small Business Development Center (SBDC) which will make its business development services available to business incubator tenants and the community. See Exhibit A containing a letter from SBDC describing the types of business assistance they intend to provide to

tenants of the incubator and the community and supporting the proposed project in general. The Ground floor space will be allocated to the provision of 51 car parking spaces, and the balance of the floor (approximately 10% of the remaining space) will be renovated to house the Niagara Frontier Chapter of the Antique and Classis Boat Society museum and boat-building workshop, a health facility, and a first rate restaurant. An additional approximate 1000 square foot structure to be adjoined to the facility may be constructed to house the building's superintendent and his family.

The Company has been working with the City of North Tonawanda Lumber City Development Corporation (LCDC) over the past 3 years with respect to undertaking an environmental investigation and securing grant monies to facilitate the renovation and rehabilitation of the building. See Exhibit B containing a letter of support for the project from the LCDC stressing the importance of the project for the local community and supporting the requested PILOT payment schedule.

3. Description of Present Facilities:

*2096 – 2108 Delaware Ave, Buffalo
479 Delaware Avenue, Buffalo
395 – 405 Delaware Ave, Buffalo
131 Allen Street, Buffalo
209, 211, 213 Summer Street, Buffalo
257 Summer Street, Buffalo
173 – 175 North Street, Buffalo
1290 and 1310 Delaware Ave., Buffalo
600 Main Street, Buffalo
389 – 400 Elmwood Ave, Buffalo
2104 Delaware Avenue, Buffalo
398 Linwood, Buffalo
400 Linwood, Buffalo*

Lot size: Number of buildings: **15**

Square footage of facilities: *Approximately 702,599 sq. ft.*

Owns (***contract to purchase**) OR Rents present facilities

4. What is the present employment of the company?

Full Time **21** # Part Time **0**

Estimated annual payroll: \$ **\$591,800**

5. Approximate annual sales: \$ **\$3,500,000**

6. Describe primary markets.
The primary markets in which The Kissling Interests, LLC and its affiliated companies operate involve the leasing of residential apartments, ranging in size from studios to three-bedroom units, and class 'a' commercial office space.
7. Provide a brief description of the company and its history.
The Kissling Interests, LLC was created, and is currently owned, by the Kissling family, which entered the real estate business in 1870 and has been buying, renovating, leasing, and operating real estate for over 130 years.

B. Provide types of business activity and approximate square feet of each for company's present facility:

	Square Feet
Manufacturing/Processing	
Warehousing	
Research & Development	
Commercial	
Retail*	1%
Office	
Other (specify) - Residential	99%

* A retail business activity shall mean (i) sales by a registered vendor under article twenty-eight of the New York tax law primarily engaged in the retail sale of tangible personal property, as defined in subparagraph (i) of paragraph four of subdivision (b) of section eleven hundred one of the tax law; or (ii) sales of a service to such customers.

C. Describe principal goods, products and/or services of the company:

The Kissling Interests, LLC and its affiliated companies owns and manages residential and commercial properties throughout Buffalo. The group has over seven hundred apartments and twenty commercial tenants. The company purchases underutilized and older buildings, invests in their improvement, and maintains them for quality living and high tech commercial and office uses. The company has a track record of successful and quality development in Manhattan and in Buffalo. This is their first project proposed for Niagara County. Some of the notable commercial redevelopments in Buffalo include 268 Main Street and 298 Main Street.

III. Project Data

A. Location of Proposed Project:

1. Physical Address of proposed Project Site:
 Address: 184 Sweeney Street
 City, Town, Village: North Tonawanda
 County: Niagara

2. New York State Empire Zone Tax Incentives.

In addition to financial incentives that the Niagara County Industrial Development Agency can provide with respect to the proposed Project, the Project may also be eligible for New York State tax benefits (sales tax, income tax, and real property tax benefits and credits) under the New York State Empire Zone Program. Empire Zone tax benefits can be utilized concurrently with Niagara County Industrial Development Agency benefits and incentives.

Is the proposed Project Site located in an Empire Zone?

Yes No Unsure

Mr. Kissling dedicated over a year and a half to waiting for the State to finalize the regulations for “Regionally Significant Projects” relating to incubator facilities and tourist attractions. Recent indications are that the program is subject to an overhaul and that no new regulations will be approved before that point. As a result of the lost time and man hours spent on the effort, plans need to be made that do not include Empire Zone opportunities, despite the clear regional significance of the project.

3. New York State Brownfield Cleanup Program Tax Incentives

New York State provides for significant refundable New York State tax credits with respect to cleanup and construction (buildings and equipment) costs, real property tax expenses, and insurance costs related to remediating and developing a Brownfield/contaminated property. In addition, New York State provides for a release of liability with respect to such contamination located in, on or emanating from the Brownfield Site. New York State Brownfield Cleanup Program tax credits can be utilized concurrently with Niagara County Industrial Development Agency benefits and incentives.

Under the New York Brownfield Cleanup Program, a Brownfield or a Brownfield Site is any real property, the redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous waste, petroleum, pollutant, or contaminant (collectively, “contaminants”).

Is the proposed Project Site located on a site where the known or potential presence of a contaminant(s) is complicating the development/use of the property?

Yes No Unsure

Has a Phase I Environmental Assessment been prepared or will one be prepared with respect to the proposed Project Site?

Yes No Unsure

Have any other studies or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

Yes No Unsure

The following excerpt from the Phase I findings and conclusions best summarizes the answer to this question:

This assessment has revealed the following recognized environmental conditions in connection with the subject property (184 Sweeney Street):

- *The historical use property for industrial and commercial purposes for more than 100 years, which included the operation of a machine shop and a paint shop; operation of a trolley powerhouse; operation of potentially PCB-containing transformers; production of automotive chemicals; and the storage of various hazardous materials indicates the potential for past discharges of the materials to the ground surface and/or interior building materials.*
- *The presence of electrical transformers with observable staining located within a fenced area in the north-central portion of the site.*
- *Potential contamination from two upgradient sites that historically operated gasoline USTs. The sites are located northeast of the subject of the property at 147 Tremont Street and 59 Oliver Street.*
- *The presence of an automotive repair facility that operated gasoline tanks west of the subject property.*

Other Potential Areas of Environmental Concern

Based on the age of the on-site structures, asbestos containing building materials (ACMs) and/or lead-based paint (LBP) may have been utilized in its construction. Inspection, sampling and analysis of suspect ACMs and/or LBP within the building would be required to determine the presence of these materials.

B. Existing Project Facilities:

1. Parcel Size: **1.80 Acres OR** ft. x ft.

2. Are there existing buildings on the Project site? Yes ; No .

a. If yes, indicate the number of buildings on the site: **_Yes_**. Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such existing building:

Building Description	Size
Remington Rand Building	164,367 sq. ft.
Building II (attached to Remington Rand Bldg)	3,154 sq. ft.

b. Are the existing buildings in operation? Yes ; No . If yes, describe present use of present buildings:

Building	Use
Remington Rand Building	Approximately 15 % of the space is being utilized. Mostly storage, but there are three small businesses with partial operations.

c. Are the existing buildings abandoned? Yes ; No .
About to be abandoned? Yes ; No . If yes, describe:

There is very substantial roof damage and general disrepair, but no immediate plans for abandonment.

d. Attach photograph of present buildings.

3. Identify present landowner. **Wurlitzer on the Canal, LLC (Kissling Interests, LLC currently maintains a purchase option).**

4. Present zoning of site: **Light Manufacturing- M1**

Are there any variances or special permits affecting the Project site?
Yes No .

If yes, list below and attach copies of all such variances or special permits.

The project will entail a variance from the North Tonawanda Zoning Board of Appeals that is consistent with the Community Development Plan for the City and the Strategic Redevelopment Plan for Downtown, approved Municipally in 2006.

5. Provide Tax Map (section/block/lot) number(s):

185.09-1-21

6. List current assessed value: \$ 335,000
List current annual property tax payment: \$ 15,500

7. Identify school district pertaining to Proposed Project location:

North Tonawanda City School (see attached letter of support)

C. Proposed Project Facility and Equipment

1. Does part of the Project consist of the acquisition or construction of a new building or buildings? Yes ; No .

If yes, indicate number and size of new buildings:

2. Does part of the Project consist of additions and/or renovations to existing buildings located on the Project site? Yes ; No .

If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

Both buildings will be renovated in accordance with the attached renderings and, in the case of the Herschell-Spilman building (Building II), in consultation with the State Historic Preservation Office.

The renovations will take a dilapidated building and turn it into a cutting edge business incubator, serving the needs of over 50 small businesses and entrepreneurs in Niagara County. The renovations include structural support; badly needed roof replacement; top to bottom exterior improvements; and upgrades of all utilities including high speed wiring to service the Niagara County Small Business Development Center and the multitude of small businesses housed at the project site.

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:

The buildings will be part of a one-of-a-kind mixed use development. The center-piece of the project is a badly needed business incubator. The Lumber City development Corporation has received numerous requests in recent years for quality space for start-up and fledgling small businesses. Currently the

LCDC does not have a place to refer these businesses, often leading to out-migration, or an inability to get a project off the ground. The LCDC partnered with Kissling Interests, LLC to identify the needs of the small businesses in question, and the project meets all of the identified needs, gaining the full support of the City of North Tonawanda and the Lumber City Development Corporation.

4. Will machinery and equipment be acquired and installed?

New: No Yes Type _____

Used: No Yes Type _____

Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

5. Project Use

a. What are the principal products to be produced at the Project?

There will be a variety of small businesses operating in the building (up to 51) likely with a variety of products and services. There will be general conference space and business support services in the building and the overall project design is conducive to the production of high-tech products and services, creation of intellectual property, varying levels of research and development, and small scale clean manufacturing.

6. Project Use

b. What are the principal activities to be conducted at the Project?

<i>Estimated</i>	<i>%</i>	<i>Estimated</i>	<i>%</i>
Warehousing		Manufacturing	
Processing		Pollution control	
Office	69	Research & Development	
Retail*	4	Commercial	12
Recreational	4	Other (parking):	11

* A retail business activity shall mean (i) sales by a registered vendor under article twenty-eight of the New York tax law primarily engaged in the retail sale of tangible personal property,

as defined in subparagraph (i) of paragraph four of subdivision (b) of section eleven hundred one of the tax law; or (ii) sales of a service to such customers.

- c. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes ; No .

If yes, please see Addendum A attached hereto.

- d. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes No If yes, please explain:

- e. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes No

If yes, please provide detail:

- i. If the answer to either question (d) or question (e) is yes, indicate whether any of the following apply to the Project:

- (1) Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes No

If yes, please provide detail:

- (2) Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes No

If yes, please provide detail:

- 6. Is this a single phase or multi-phase project? Single Multi

Phase I Activities: **Acquisition and renovation and Marketing to full occupancy**

Phase II Activities: _____

Phase III Activities: _____

D. Utilities and services presently serving site. Provide name of utility provider.

The building is located in downtown North Tonawanda, and has a history of manufacturing uses, so the utility services are all sufficient in size to handle the projected load. Some upgrades will be needed, and the only real service gap is in high-speed internet access, which will be added as part of the project.

Gas:	National Fuel Gas	Size:	
Electric:	National Grid	Power:	
Water:	City of North Tonawanda	Size:	
Sewer:	City of North Tonawanda	Size:	
Other (specify):			

E. What is your project timetable? (Provide dates)

1. Start date: acquisition or construction of facilities: September 2007
2. Completion of project facilities: Spring 2009
3. Project occupancy – starting date of operations: Spring 2009

F. Have any contracts or purchases been made, committed and/or executed toward the project? No Yes,

If yes, please provide detail:

Kissling Interests, LLC has entered into a purchase option with Wurlitzer Capital to last through the summer. Some of the expenses incurred may be deducted from the purchase price.

G. Has any work toward the completion of the project been initiated? No Yes,

If yes, please provide detail:

Renderings have been prepared (attached) and preliminary marketing is underway. The first floor uses are already accounted for and the Lumber City Development Corporation has been maintaining a list of the small companies seeking space and service in North Tonawanda that does not currently exist, but will exist through this project.

H. Will the project require any government actions, permits or clearances (other than IDA requirements)? If yes, please provide the following details:

Action	Issuing Agency	Date of Issuance
Variance/Special Use Permit	NT Zoning Board of Appeals	Upon Closing (See attached letter of Municipal support)
Site Plan Approval	City of North Tonawanda	Pre-Construction

- I. Include any site plans, drawings or blueprints that have been developed.
- J. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes ; No . If yes, please complete the following for each existing or proposed tenant or subtenant:

Kissling Interests, LLC will be leasing the entire space (approximately 69% for work/live office lofts, 12% commercial (Boat Society museum and workshop), 4% retail (restaurant), 4% recreational (health facility), 11% parking) and has an agreement in principle with a Manhattan restaurateur, a health club operator, and the Antique and Classic Boat Society.

Sublessee name: _____
 Present Address: _____
 Address: _____
 Employer's ID No.: _____

Sublessee is: Corporation Partnership Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____ %

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

Yes No .

If yes, please provide on a separate attachment: (a) details, and (b) the answers to questions III(D)(6)(c) through (f) with respect to each such sublessee.

K. Describe the reasons why this project is necessary and what effect it will have on your company:

The project is necessary to fill the need for Class A space for small businesses in North Tonawanda. It is beneficial to Kissling Interests, LLC because it taps into a new market (Niagara County) in need of high-tech, quality development. This project is the first investment risk of this scope to be taken in North Tonawanda and, if successful will not only benefit the community and County, it will benefit the company by identifying the financial model needed to rehabilitate, renovate and generally improve the aging and obsolete buildings available throughout Niagara County. Additionally, contaminated real property will be remediated to a standard protective of public health.

IV. Employment Impact

A) Will Niagara County contractors and / or sub contractors be utilized for the construction project? Yes No .

B) What is the estimated number of construction jobs to be created at the project site from:

Niagara County: *TBD*, Erie County *TBD*, Other Areas *0*,

Picone Construction, our project managers, anticipate requiring approximately 120 workers to complete the project, 100% of which will be from Niagara and Erie counties.

C) Indicate below the number of people presently employed at the Project site and the number that will be employed at the Project site at end of the first and second years after the Project has been completed (Do not include construction workers). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant.

TYPE OF EMPLOYMENT				
	PROFESSIONAL OR MANAGERIAL	SKILLED OR SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	0	0	0	0
Present Part Time	0	0	0	0
Present Seasonal	0	0	0	0
First Year Full Time	Up to 75	10	15	Up to 100
First Year Part Time	15	5	5	25
First Year Seasonal	0	0	0	0
Second Year Full Time	90	15	20	125
Second Year Part Time	20	10	10	40
Second Year Seasonal	0	0	0	0

The building is currently used for limited business operations, often limited to storage. Kissling Interests, LLC will work with any viable business within the building to provide

relocation assistance, or the appropriate nearby space. Jointly the Lumber City Development Corporation is already working with the limited personnel within the building to find the best business solutions.

V. Project Cost Data

A. Give breakdown of project costs:

Land	\$
Buildings: Acquisition	\$600,000
Renovation	\$10,500,000
New Construction	\$
Demolition	\$500,000
Utilities and Road	\$500,000
Site work and preparation	\$
Acquisition of machinery & equipment	\$
Installation	\$
Architectural and engineering fees	\$450,000
Legal fees	\$125,000
Interest during construction	\$1,000,000
Other	\$1,425,000
TOTAL	\$15,100,000

Have any of these expenditures been incurred to date? No Yes If yes, identify:
Approximately \$100,000 has been spent on architectural fees, legal fees, and a property option that will go toward the building cost at the time of purchase.

The company has incurred costs associated with the contract to purchase the property, extensive work conducted by architects, environmental studies, and feasibility studies.

B. Summary of Financing

Total Project Costs	15,100,000
Amount of Bond or Leaseback financing	\$
Amount of Conventional financing	\$8,000,000 to \$10,000,000
Company Equity (see below)	\$5,100,000 to \$7,100,000

C. Will any part of the project be financed with funds of the company? No Yes, If yes, please provide detail:

Item	\$
Acquisition	600,000
Soft costs	975,000
Renovation costs	4,525,000

- D. Will other forms of government financing be used to undertake the project: No Yes
If yes, please provide detail:

Program	Amount	Status
Restore NY Grant	1,000,000	Committed

- E. Have financial institutions or potential bond purchasers been approached? No Yes

If yes, please provide detail:

Mr. Kissling has spoken with numerous financial institutions regarding this project. Although he does not have a formal letter of commitment from any of the potential lenders, he could secure one if necessary. Attached is a letter of intent from First Niagara Bank.

- F. List capital expenditures of the company: Kissling Interest, LLC

	Past 3 years	Next 3 years
Real Property	\$1.8mm	\$9.0mm
Buildings	\$1.8mm	\$3mm
Equipment	\$600k	\$2.75mm

VI. Financial and Feasibility Data

- A. Describe the need or demand for the product or services to be provided as a result of the project:

The City of North Tonawanda developed an award-nominated Downtown Redevelopment Plan in 2005-2006. The initial research included a market study and a visitors' survey which identified the need for a high-end restaurant in the downtown area. Additionally the study identified the need for an anchor structure in the downtown. The Remington Rand Building was identified as that building.

Separately, the Lumber City Development Corporation has been working with businesses of all sizes within the City of North Tonawanda. The need for an incubator facility for small businesses is very real and the development of one has been identified as a high priority for the community. LCDC staff has looked at multiple locations and have investigated the possibility of developing and running a community incubator; however the start-up capital could not be fully identified. Again, see Exhibit B containing letter of support from the LCDC.

Lastly, the Antique & Classic Boat Society has long recognized the need for a permanent location for exhibition and paid workshops. The Remington rand Redevelopment Project affords a unique opportunity to find significant space as part of a larger project, along the Erie Canal and less than one mile from the Niagara River.

B. Has the company utilized bond financing before? No Yes.

If yes, describe when, where and amount:

C. Provide any marketing, economic and/or feasibility studies that have been developed, particularly for tourist destination facilities.

D. The following information will be required by the Agency and returned once an action of the Agency has been taken:

1. Financial statements for the last three (3) years;
2. Projections for the next three (3) years including Balance Sheets, Profit and Loss Statements, Cash Flow Statements by quarters, etc.

VII. Financial Assistance Expected From The Agency

A. Tax Benefits.

1. Is the applicant requesting any real property tax exemption in connection with the Project that would not be available to a project that did not involve the Agency?
Yes No

If yes, is the real property tax exemption being sought consistent with the Agency's Uniform Tax Exemption Policy? Yes No

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes No

If yes, what is the approximate amount of financing to be secured by mortgages?
\$ 8-10mm

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes No .

If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$

3. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of each exemption.

- a. N.Y.S. Sales and Compensating Use Taxes:
- b. Mortgage Recording Taxes:
- c. Real Property Tax Exemptions:
- d. Other (please specify):

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax-exemption Policy?
Yes No.

If yes, please explain how the request of the applicant differs from the Agency's Uniform Tax-Exemption Policy:

The applicant is requesting a 15 year PILOT agreement - that has received the support of the City of North Tonawanda (see Exhibit C) and the North Tonawanda City School District (see Exhibit D) – that would maintain the current property assessment for the project site in its current condition for the first 15 years of the project, thereby maintaining a 100% exemption on the new improvements for the same 15 year period. At year 16, the project would be placed fully on the tax rolls at the conclusion of the PILOT agreement term. The PILOT will enable the business incubator to attract start-up/fledgling businesses/entrepreneurs and will increase the survival rate for such start-up companies via the provision of reduced business expenses and facilitate the incubator's ability to stimulate business networking and collaboration opportunities and business support services.

VIII. 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:

CERTIFICATION

(to be executed by the principal of the applicant and acknowledged by a notary public)

- I. _____ (name of chief executive officer or other authorized representative of applicant) deposes and says that he/she is the _____ (title) of Kissling Interests, LLC (name of corporation or other entity) named in the attached Application (the "Applicant"); that he/she has read the foregoing Application and knows the contents thereof, and that the same is true to his/her knowledge.
- II. The grounds for deponent's belief relative to all matters in the 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 the 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 or other entity.
- III. As an officer of the Applicant deponent acknowledges and agrees that the Applicant shall be and is responsible for all costs incurred by the Agency and all legal counsel for the Agency, including its general counsel and/or bond/transaction counsel, whether or not the Application, the proposed project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the proposed project described herein and (C) any further action taken by the Agency with respect to the proposed project; including without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing.
- IV. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel, the same to be paid at the times indicated:
- (a) The sum of \$ 1,000 as a non-refundable processing fee, plus the sum of \$ _____ if Agency assistance in retaining professionals is requested, to be paid upon submission of the Application;
 - (b) Unless otherwise agreed to by the Agency, an amount equal to _____ of the total project costs to be paid at transaction closing;
 - (c) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel and/or the

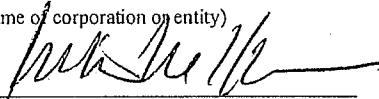
Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing.

- V. By executing and submitting this Application, and in the event the closing does not occur, the Applicant further covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel:
- (a) If the Applicant fails to conclude or consummate the necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable proper or requested action, or withdraws, abandons, cancels, or neglects the Application, the Applicant shall pay to the Agency, its agents, or assigns, upon presentation of an invoice, a sum of one and one quarter percent (1.25%) of (i) the amount of bond financing requested; or (ii) the amount on which the financial assistance for the proposed project was determined, and upon presentation of an invoice, all actual costs involved with respect to the Application, including but not necessarily limited to fees of the Agency's general counsel and/or the Agency's bond/transaction counsel; or
 - (b) If the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback transaction, then upon presentation of an invoice, all actual costs involved with respect to the Application, up to that date and time, incurred by the Agency including but not necessarily limited to fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.
- VI. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in Sections IV and V are obligations that are not dependent on final documentation of the transaction contemplated by this Application.
- VI. The cost incurred by the Agency and paid by the Applicant, including bond/transaction counsel fees and the Agency's general counsel's fees and the processing fees, may be considered as a costs of the project and included in the financing of costs of the proposed project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.
- VI. The Applicant is aware and acknowledges that according to the New York Public Officer's Law, Article 6, Freedom of Information, the public has the right to request information about the project and the Applicant, and that in accordance with Public Officer's Law Article 7, all meetings of the Agency are open to the public.

The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application and, if applicable, made in Addendum A, when acting hereon and hereby represents that the statements made herein and therein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading.

THE KISSLING INTERESTS, LLC

(name of corporation or entity)



(name of officer)

MANAGING MEMBER

(title)

NOTARY

Sworn to before me this ___ day of _____, 20__

(Signature)

ADDENDUM A

Niagara County Industrial Development Agency Application for Assistance

Retail Project Certification

The undersigned, hereby certifies the following:

1. An application for financial assistance from the Niagara County Industrial Development Agency (the “Agency”) has been submitted by ***Kissling Interests, LLC*** (the “Applicant”) with respect to a certain Project, as described in the Application for Assistance, (the “Application”) to which this Addendum is heretofore attached.

2. The Applicant, by its undersigned Authorized Representative, understands and agrees that Section 862 of the New York General Municipal Law provides for a prohibition on the types of projects that can benefit from the assistance of an Industrial Development Agency with respect to *a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost*. The Applicant, by its undersigned Authorized Representative, understands and acknowledges the following:

a. Less than One-third Project costs. Financial assistance of the agency may be provided in respect of any *project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute less than one-third of the total project cost*.

b. Destination project. Financial assistance may be provided to a project that is a tourism destination project (defined as a location or facility which is likely to attract a significant number of visitors from outside the economic development region as defined under New York economic development law, in which the project is located) *even if the project or facilities that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost*.

c. Not-for-profit operations. Financial assistance may be provided to a project that is operated by not-for-profit corporation *even if the project or facilities that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost*.

d. Retaining jobs within the state. Financial assistance may be provided to a project where *facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain such goods or services constitute more than one-third of the total project cost*, where the project occupant would, but for the assistance provided by the agency, locate the related jobs outside the state.

e. Unique services. Financial assistance may be provided to a project where *facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain such goods or services constitute more than one-third of the total project cost* where the predominant purpose of the project would be to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the city, town, or village within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services.

Schedule A

1. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project?

Approximately 4 % of the project is retail in nature. The retail services provided are valuable to the community and the area; however they are not the driving force of the project. Business incubation is the heart and soul of the project, and the largest service provided. This project would not have the same market, same need, or same viability in another location.

The project is in Census Tract 232 which has a poverty rate of 52.5% and the retail and tourist based services are not only not provided in the immediate are, they are not provided anywhere in the City of Tonawanda. A Canal-front museum and a high-end restaurant have been identified as “essential goods and services” through the City’s 2006 Comprehensive Community Development Block Grant, and through the 2006 Strategic Redevelopment Plan for Downtown.

2. If the answer to the prior question is more than 33.33%, indicate whether any of the following apply to the Project:

- (a) Will the Project be operated by a not-for-profit corporation?

Yes ; No . If yes, please explain:

- (b) Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located?

Yes ; No . If yes, please explain:

The Museum and restaurant are expected to attract a number of people from both inside and outside the community. Antique and Classic Boat Society events (which would be moved to Niagara County through the museum) draw thousands of individuals nationally and internationally.

- (c) Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York?

Yes ; No . If yes, please explain:

- (d) Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services?

Yes ; No . If yes, please provide detail:

- (e) Will the Project be located in one of the following: (i) an area designed as an Empire Zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (a) a poverty rate of at least 20% for the year in which the data relates, or (b) at least 20% of households receiving public assistance, and (c) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

Yes ; No . If yes, please explain:

- (f) If the answers to any of subdivisions (a) through (e) of question (2) is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

Yes No If yes, please explain:

EXHIBIT A

LUMBER CITY

DEVELOPMENT CORPORATION

Your Partner in Success

Henry M. Sloma
Chairman
Niagara County Industrial Development Agency
6311 Inducon Corporate Drive
Sanborn, New York 14132-9099

May 29, 2007

Dear Chairman Sloma,

On May 15, 2007 the Lumber City Development Corporation held the monthly meeting where the Board unanimously voted to support Anthony Kissling's upcoming application to the Niagara County Industrial Development Agency. Please accept this letter as a show of the Lumber City Development Corporation's enthusiastic support for Anthony Kissling's Remington Rand project and his application to the Niagara County Industrial Development Agency for a 15 year PILOT.

We have been working with Mr. Kissling for well over a year to try and navigate the state regulations relating to Empire Zones. There were five different occasions where the relevant regulations were on the Empire Zone Designation Board's agenda before being pulled at the last minute. Most recent indications are that there will be no new movement on the Empire Zone program before Mr. Kissling's option on the property (which he has extended 5 times) expires. As a result this project is at a critical point where property tax assistance is needed to keep it moving forward. Without the requested deviated PILOT, this project will not get done and the Remington Rand Building will fall further into disrepair.

It is almost impossible to overstate the importance of this project to the City of North Tonawanda. The historic downtown waterfront has become the focal point for development in North Tonawanda. Millions of state and local dollars have been committed in recent years to improving the Erie Canal Gateway Harbor to make it a recreational and cultural tourism attraction. The Remington Rand building is the largest structure in the downtown and along the water (167,000 square feet). It is the most visible to visitors and it is currently a blighting influence with environmental concerns that Mr. Kissling is committed to remediating

The proposed redevelopment is not only groundbreaking in scope and creativity, it is sorely needed in Niagara County. Mr. Kissling is proposing an incubator facility for high tech and other start-up companies. The second through fourth floors will consist of 51 individual live and work units, as well as common conference space. The Small Business Development Center has

500 WHEATFIELD STREET • NORTH TONAWANDA • NEW YORK 14120
PHONE: 716-695-8580 • FAX: 716-614-0519

committed to offer business support services in the building furthering the entrepreneurial development in North Tonawanda.

The first floor of the building will house a health club, a badly needed quality restaurant and the working Antique and Classic Boat Society Museum. In all the project is anticipated to create 100 jobs, draw new visitors to the Erie Canal Gateway Harbor, and meet two of the City's glaring needs (business incubation and quality dining).

It is the belief of the Lumber City Development Corporation that the proposed redevelopment of the building will spur enormous additional private investment in North Tonawanda and specifically along the 9 miles of waterfront in the City. LCDC staff have talked to a number of developers who are interested in the area, but do not want to be the first to take a large risk. Mr. Kissling has a successful track record of taking risks and turning around properties and neighborhoods. He has been steadfastly dedicated to this project and has already invested over \$100,000 of his own money in trying to make arrangements that are best for the community.

It is the belief of the LCDC that this project will not get done without significant tax incentives. In fact, any recent comparable project in western New York has necessitated a not-for-profit organization take ownership, eliminating *all* tax revenues for the municipality, county, and school district. The most notable recent examples are Artspace in Buffalo, and the New York State sponsored incubator in Jamestown.

The proposed PILOT is the best way to ensure that this project gets done and gets done with maximum benefit to the community and region.

Thank you for your consideration and please feel free to call our Executive Director, James Sullivan, for any further information about this request or the project. He can be reached at 895-8580, ext 515.

Sincerely,



Douglas P. Taylor
Chairman

EXHIBIT B

**NIAGARA COUNTY COMMUNITY COLLEGE**

SMALL BUSINESS DEVELOPMENT CENTER
50 MAIN STREET LOCKPORT NY 14094-4529
PHONE 716-434-3815 • FAX 716-433-5155
WWW.NIAGARASBDC.ORG

Richard Gorko, Director
Small Business Development Center
50 Main Street
Lockport, NY 14094

Anthony M. Kissling
The Kissling Interests, LLC
298 Main Street, Suite 400
Buffalo, NY 14202-4096

October 17, 2006

Re: Remington Rand Incubator Business Assistance

Dear Mr. Kissling,

I am writing to strongly reiterate the Small Business Development Center's commitment to your project and our partnership. As you are aware the SBDC provides a number of services for small businesses ranging from start up sole proprietorships to mature companies, including but not limited to:

- Start-up Information
- Business Plan Development
- Financial Analysis
- Cash Flow Projections
- Women-Owned and Minority Assistance
- Business Certificates
- Loan Sources
- Recordkeeping
- Marketing
- Legal Forms of Business Structure
- Training Programs
- International Trade & Export Assistance

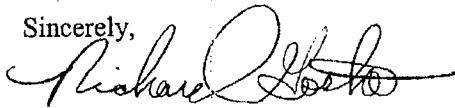
I am excited at the prospect of a satellite location for our business specialists in your incubator facility. The up to 51 sole proprietorships and partnerships you will be

bringing to North Tonawanda will benefit greatly from our technical business assistance and I welcome the outreach opportunity for our organization.

We currently have a strong working relationship with the City of North Tonawanda and their development personnel; however our partnership with Kissling Interests, LLC will greatly enhance our presence and service coverage to the companies in the City that will benefit the most from our assistance.

I would like to commend you on your initiative as you bring fresh life and significant (and desperately needed) investment to Niagara County. I look forward to working with you and hope that you do not hesitate to call me if I can be of any assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Gorko". The signature is fluid and extends to the right.

Richard Gorko
Director

EXHIBIT C

City of North Tonawanda

OFFICE OF THE CITY CLERK
CITY HALL
216 PAYNE AVENUE
NORTH TONAWANDA, N.Y. 14120
(716) 695-8555 - FAX (716) 695-8557

THOMAS M. JACCARINO
CITY CLERK

June 14, 2007

To Whom It May Concern:

Please be advised that at a regular session of the North Tonawanda Common Council held on the 5th day of June 2007 the following resolution was passed:

MOVED by Alderman Sommer **SECONDED** by Alderman Schwandt
WHEREAS, this historic Remington Rand Building, located at 184 Sweeney Street, and originally constructed in 1895, is the largest waterfront building in North Tonawanda and the most visible to historic downtown and Gateway Harbor visitors; and

WHEREAS, this building and the real property is sits upon, was historically used for manufacturing purposes, is currently under-utilized and near vacant, and is in disrepair; and

WHEREAS, the City of North Tonawanda identified the redevelopment of 184 Sweeney Street as an integral component of downtown revitalization in its 2005 Strategic Redevelopment Plan; and

WHEREAS, an August, 2006 Phase I environmental assessment of 184 Sweeney Street indicated the potential for soil and groundwater contamination related to a 100 year history of industrial use and adjacent and upgradient groundwater contamination thereby further complicating the potential re-use and rehabilitation of the project site; and

WHEREAS, North Tonawanda Development staff has had numerous discussions with several not-for-profit and for-profit developers who have indicated they would not have the capacity to rehabilitate the building and/or would not realize a return on the investment required to redevelop the building; and

WHEREAS, Anthony Kissling has been working with City Officials and City development staff since 2004 to identify opportunities for the renovation, rehabilitation, and redevelopment of the building to reinvigorate the downtown waterfront district; and

WHEREAS, Anthony Kissling has proposed to rehabilitate the building for mixed-use purposes to develop 51 high-tech work-live business incubators for start-up or initial stage entrepreneurs and will provide on-site business amenities including “wired-building” internet services, telecommunications and conference/video conferencing services, conference room and photocopying/faxing services, and will also provide professional business advisory services to tenants, on-site, in partnership with the Niagara County Small Business Development Center; and

WHEREAS, business incubators can play a pivotal role in developing and commercializing new innovations by helping to ensure emerging companies have resources at-hand to succeed and can play a roll in facilitating local economic development once such successful ventures out-grow such initial use of an incubator facility; and

WHEREAS, the City of North Tonawanda has secured \$1,000,000 of grant money on behalf of Anthony Kissling’s project through the New York State Restore NY program; and

WHEREAS, the City of North Tonawanda has secured \$100,000 of Community Development Block Grant funds in direct support the project; and

WHEREAS, the \$1.1 million dollars in grant funds will need to be returned to the respective funding sources if not used for Anthony Kissling’s proposed project at 184 Sweeney Street; and

WHEREAS, the City has secured an additional \$209,375 in grant funds through the New York State Canal Corporation and New York State Office of Parks Recreation and Historic Preservation for improvements to the waterfront and docking facilities directly in front of the project in hopes of spurring redevelopment at 184 Sweeney Street, and

WHEREAS, Anthony Kissling is desirous of remediating environmental conditions at the project site and is desirous of redeveloping the project site in partnership with the various state and local agencies that are supplying grant money and business incubator services to incubator tenants; and

WHEREAS, Anthony Kissling requires real property tax stability and predictability to ensure the success of this project; and

WHEREAS, Anthony Kissling has approached the Mayor of the City of North Tonawanda, the Common Council, and the North Tonawanda City School District to obtain approval in an effort to stabilize real property taxes with respect to the existing improvements located at 184 Sweeney Street for a 15 year period and to provide consent with respect to a request to exempt the proposed improvements from real property taxes for the same 15 year period; and

WHEREAS, provided the Mayor, the City Council, and the School District consent to such a real property tax payment proposal, Anthony Kissling, on behalf of an entity formed or to be formed, will apply to the Niagara County Industrial Development Agency (NCIDA) for a deviated PILOT, reflective of the real property tax concept as expressed above, that would enable him to personally invest \$15 million dollars into the project; and

WHEREAS, the Lumber City Development Corporation approved a resolution in support of the PILOT application, as described above, at its May 15th meeting of the Board of Directors; and

WHEREAS, the Lumber City Development Corporation has further requested a resolution of support from the North Tonawanda Common Council; and

WHEREAS, the Common Council, at its May 29, 2007 work session, indicated unanimous support for the project and the real property tax payment proposal.

NOW THEREFORE, be it resolved as follows:

Section 1. The Common Council hereby finds and determines that remediating the environmental conditions and rehabilitating the historic building into a mixed-use business incubator at 184 Sweeney Street will create approximately 51 to 100 new jobs, will stimulate job creation and economic development initiatives in the City, and restore waterfront access and enjoyment for residents of and visitors to the City.

Section 2. The Common Council hereby resolves to support the real property tax payment proposal and hereby consents to a request by Anthony Kissling to support, in advance, to provide for a 100% abatement of the real property taxes related to the proposed improvements, to be described in PILOT Agreement between the NCIDA and Anthony Kissling, as described herein for a 15 year period.

Section 3. The Common Council hereby requests the NCIDA to support the proposed project and its pre-approval of the real property tax proposal as described herein in consideration of an anticipated application to be made by Anthony Kissling to the NCIDA for a PILOT Agreement with respect to this proposed project consistent with the terms of the real property tax proposal as described herein.

Section 4. This resolution shall take effect immediately.

Ayes: Brick, Rizzo, Schwandt, Sommer

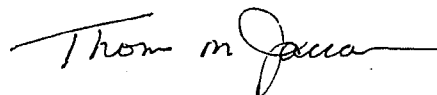
(4)

Nays: None

(0)

CARRIED.

Very truly yours,



**Thomas M. Jaccarino
City Clerk**

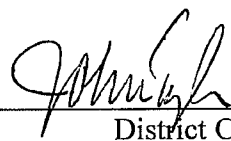
EXHIBIT D

DISTRICT CLERK'S CERTIFICATE

I, John Tylec, being the duly appointed and acting District Clerk of the City School District of the City of North Tonawanda, in the county of Niagara, State of New York,

HEREBY CERTIFY that the foregoing annexed extract from the minutes of a meeting of the Board of Education of said District duly called and held on June 12, 2007, has been compared by me with the original minutes as officially recorded in my office in the Minutes Book of said Board of Education and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relates to the subject matters referred to in said extract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said District this 14th day of June, 2007.



District Clerk

(SEAL)

WHEREAS, this historic Remington Rand Building, located at 184 Sweeney Street, and originally constructed in 1895, is the largest waterfront building in North Tonawanda and the most visible to historic downtown and the Gateway Harbor visitors; and

WHEREAS, this building and the real property it sits upon, was historically used for manufacturing purposes, is currently under-utilized and near vacant, and is in disrepair; and

WHEREAS, the City of North Tonawanda identified the redevelopment of 184 Sweeney Street as an integral component of downtown revitalization in its 2005 Strategic Redevelopment Plan; and

WHEREAS, an August, 2006 Phase I environmental assessment of 184 Sweeney Street indicated the potential for soil and groundwater contamination related to a 100 year history of industrial use and adjacent and upgradient groundwater contamination thereby further complicating the potential re-use and rehabilitation of the project site, and

WHEREAS, North Tonawanda Development staff has had numerous discussions with several not-for-profit and for-profit developers who have indicated they would not have the capacity to rehabilitate the building and/or would not realize a return on the investment required to redevelop the building; and

WHEREAS, Anthony Kissling has been working with City Officials and City development staff since 2004 to identify opportunities for the renovation, rehabilitation, and redevelopment of the building to reinvigorate the downtown waterfront district; and

WHEREAS, Anthony Kissling has proposed to rehabilitate the building for mixed-use purposes to develop 51 high-tech work-live business incubators for start-up or initial stage entrepreneurs and will provide on-site business amenities including "wired-building" internet services, telecommunications and conference/video conferencing services, conference room and photocopying/faxing services, and will also provide professional business advisory services to tenants, on-site, in partnership with the Niagara County Small Business Development Center; and

WHEREAS, business incubators can play a pivotal role in developing and commercializing new innovations by helping to ensure emerging companies have resources at-hand to succeed and can play a roll in facilitating local economic development once such successful ventures out-grow such initial use of an incubator facility; and

WHEREAS, the City of North Tonawanda has secured \$1,000,000 of grant money on behalf of Anthony Kissling's project through the New York State Restore NY program; and

WHEREAS, the City of North Tonawanda has secured \$100,000 of Community Development Block Grant funds in direct support of the project, and

WHEREAS, the \$1.1 million dollars in grant funds will need to be returned to the respective funding sources if not used for Anthony Kissling's proposed project at 184 Sweeney Street; and

WHEREAS, the City has secured an additional \$209,375 in grant funds through the New York State Canal Corporation and New York State Office of Parks Recreation and Historic Preservation for improvements to the waterfront and docking facilities directly in front of the project in hopes of spurring redevelopment at 184 Sweeney Street; and

WHEREAS, Anthony Kissling is desirous of remediating environmental conditions at the project site and is desirous of redeveloping the project site in partnership with the various state and local agencies that are supplying grant money and business incubator services to incubator tenants; and

WHEREAS, Anthony Kissling requires real property tax stability and predictability to ensure the success of the project; and

WHEREAS, Anthony Kissling has approached the Mayor of the City of North Tonawanda, the Common Council, and the School District to obtain approval in an effort to stabilize real property taxes with respect to the existing improvements located at 184 Sweeney Street for a 15 year period and to provide consent with respect to a request to exempt the proposed improvements from real property taxes for the same 15 year period; and

WHEREAS, provided the Mayor, the City Council, and the School District consent to a real property tax payment proposal, Anthony Kissling, on behalf of an entity formed or to be formed will apply to the Niagara County Industrial Development Agency (NCIDA) for a deviated PILOT, reflective of the real property tax concept as expressed above, that would enable him to personally invest \$15 million dollars into the project; and

WHEREAS, the Lumber City Development Corporation approved a resolution in support of the PILOT application, as described above, at its May 15th meeting of the Board of Directors; and

WHEREAS, the Lumber City Development Corporation has further requested a resolution of support from the North Tonawanda Common Council; and

WHEREAS, the Common Council, at its May 29, 2007 work session, indicated unanimous support for the project and the real property tax payment proposal.

NOW THEREFORE, be it resolved as follows:

Section 1: The North Tonawanda Board of Education hereby finds and determines that remediating the environmental conditions and rehabilitating the historic building into a mixed-use business incubator at 184 Sweeney Street will create approximately 51 to

100 new jobs, will stimulate job creation and economic development initiatives in the City, and restore waterfront access and enjoyment for residents of and visitors to the City.

Section 2: The North Tonawanda Board of Education hereby resolves to support the real property tax payment proposal and hereby consents to a request by Anthony Kissling to support, in advance, to provide for a 100% abatement of the real property taxes related to the proposed improvements, to be described in PILOT Agreement between the NCIDA and Anthony Kissling, as described herein for a 15 year period.

Section 3: The North Tonawanda Board of Education hereby requests the NCIDA to support the proposed project and its pre-approval of the real property tax proposal as described herein in consideration of an anticipated application to be made by Anthony Kissling to the NCIDA for a PILOT Agreement with respect to this proposed project consistent with the terms of the real property tax proposal as described herein.

Section 4: This resolution shall take effect immediately.

Ayes: Guido, Porto, Rechin, Szczerbinski, Wasieczko, Schultz

Nays: Arbeiter

Motion Passes.