

**SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

MEETING MINUTES

Regular Meeting
Thursday, February 8, 2007
12:00 Noon
Abigail's Restaurant
Waterloo, New York

Attendance:

Board Members Present: Bradford Jones, Chairman; Kenneth Lee Patchen, Jr.; Robert Kernan; Thomas Kime; David Kaiser and Bruce Bonafiglia (arriving at 12:14 p.m.)

Board Members Absent: Robert Rosenkrans

Staff Attending: Glenn R. Cooke, Executive Director; Patricia Jones, Project Coordinator for Reuse/Empire Zone; Bill Bordeau, Deputy Director of Department of Economic Development and Planning; Gregory Keefe, IDA Treasurer; Shawn Griffin, Legal Counsel, Harris Beach and Justin Miller, Legal Counsel, Harris Beach

Others Attending: Denise Champagne, Finger Lakes Times; James Mooney, Supervisor, Town of Waterloo; and Kevin Swartley and Edward Primrose representing Empire Green Biofuels

Call to Order:

Chairman Jones called the meeting to order at 12:03 p.m. A quorum of the Agency's members was present. Chairman Jones then welcomed David Kaiser, the Board's newest member, representing the Seneca County Board of Supervisors. Chairman Jones then thanked Jim Mooney for his exceptional service to the IDA Board.

Approval of IDA Minutes/ Regular Meeting of January 4, 2007 and Joint IDA/EDC Special Meeting of January 12, 2007:

The minutes of the Agency's regular meeting of January 4, 2007 and the Joint IDA/EDC Special Meeting of January 12, 2007 had been sent to Board members prior to the meeting. After discussion, a motion was made by Robert Kernan to accept the minutes of January 4 and January 12. Seconded by Thomas Kime. Motion carried.

Approval of December 2006 Financial Statements:

The December 2006 financial statements had been mailed to Board members prior to the meeting. Glenn Cooke summarized the financial statements. After discussion, a motion was made by Lee Patchen to approve the December 2006 financial statements. Seconded by Thomas Kime. Motion carried.

Grant and Loan Status Reports:

The quarterly Grant Status and Loan Status reports had been provided to Board members prior to the meeting. Bill Bordeau summarized the Loan Status report and advised the Board that all loans were current. Glenn Cooke then summarized the Grant Status report. After discussion, a motion was made by Thomas Kime approving the quarterly Loan and Grant Status reports. Seconded by Lee Patchen. Motion carried.

Approval of IDA Resolution / Seneca Energy II:

Glenn Cooke advised the Board that they had adopted a resolution on September 7, 2006 authorizing Seneca Energy II to undertake their project of relocating two engine-generator sets to their new location and adding four new engine-generator sets, specifically designed to operate on landfill gas. Glenn then advised that in order to properly designate Seneca Energy II as exempt from real property taxes (and require payment-in-lieu of such real property taxes) prior to the March 1, 2007 taxable status date, it is necessary for the IDA and Seneca Energy II to enter into the Lease Agreement, Leaseback Agreement and PILOT Agreement prior to the IDA holding the public hearing on March 9, 2007. Glenn then stated that this resolution restricts financial assistance to \$100,000 until the public hearing is held and a subsequent resolution is adopted. Glenn then presented IDA Resolution No. 2007-06 as follows:

RESOLUTION AUTHORIZING THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO EXECUTE AND DELIVER THE LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT-IN-LIEU-OF-TAX-AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SENECA ENERGY II, LLC PROJECT, AS MORE FULLY DESCRIBED BELOW; *PROVIDED, HOWEVER,* THAT FINANCIAL ASSISTANCE PROVIDED BY THE AGENCY SHALL NOT EXCEED \$100,000 IN THE AGGREGATE UNTIL A PUBLIC HEARING IS HELD AND A SUBSEQUENT RESOLUTION IS ADOPTED.

During the discussion, Mr. Kime asked if the terms and conditions of the PILOT had been determined. Glenn stated that the PILOT has not yet been calculated; however, he will provide Board members with the suggested terms of the PILOT prior to it being signed. A motion was made by Robert Kernan approving IDA Resolution No. 2007-06. Seconded by David Kaiser. Motion carried with Messrs. Jones, Kernan, Kime, Kaiser and Patchen voting "yea".

Consideration of Executive Session:

Chairman Jones requested a motion to enter into Executive Session for the purpose of real estate matters. A motion was made by David Kaiser at 12:12 p.m. to enter into Executive Session. Seconded by Robert Kernan. Motion carried. A motion was made by Bruce Bonafiglia at 1:12 p.m. to come out of Executive Session. Seconded by Lee Patchen. Motion carried.

Other Business:

Approval of SEQR Resolution / Empire Green Biofuels:

Glenn Cooke advised Board members that the SEQR Resolution and Part 2 of the Environmental Assessment Form, to include an Odor Control and Response Plan, had been provided to Board members prior to the meeting. Shawn Griffin then summarized in detail the comments and input provided by the involved and interested agencies and the public, as well as the surveys and studies completed by Empire Green Biofuels. Shawn then presented the IDA Resolution No. 2007-07 as follows:

RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY ISSUING A DETERMINATION OF SIGNIFICANCE UNDER NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT FOR A PROJECT PROPOSED BY EMPIRE GREEN BIOFUELS, INC., TO BE LOCATED ON THE FORMER SENECA ARMY DEPOT.

After discussion, a motion was made by Bruce Bonafiglia accepting the SEQR resolution and based upon all information, the Seneca County IDA finds that the Empire Green Biofuels Project will not have a potential significant adverse impact on the environment in accordance with the New York State Environmental Quality Review Act (SEQR), and in particular, pursuant to the criteria found at 6 N.Y.C.R.R. § 617.7(b) of the SEQR regulations and that the Seneca County IDA thus issues a Negative Declaration pursuant to SEQR. Seconded by Robert Kernan. Motion carried with Messrs. Jones, Kernan, Bonafiglia, Patchen, Kime and Kaiser voting "yea".

Approval of Supplemental Resolution 2007-05 / Empire Green Biofuels:

Glenn Cooke advised Board members that IDA Supplemental Resolution No. 2007-05 had been provided to them prior to the meeting. Shawn Griffin then outlined to the

Board the scope of this resolution which includes accepting Empire Green Biofuels' broadened application which now identifies two Depot parcels, a 362 acre parcel and an approximate 4,500 acre parcel. Shawn then presented IDA Resolution No. 2007-05 as follows:

RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING A SUPPLEMENT TO THE APPLICATION OF EMPIRE GREEN BIOFUELS, INC. (THE "COMPANY") WITH RESPECT TO THE BROADENED SCOPE OF THE COMPANY'S PROPOSED ETHANOL MANUFACTURING AND BIOMASS FACILITY (THE "PROJECT", AS FURTHER DESCRIBED HEREIN); (ii) ACKNOWLEDGING THE COMPANY'S OFFER TO SECURE AN OPTION TO ACQUIRE ADDITIONAL REAL ESTATE SITUATED WITHIN THE FORMER SENECA ARMY DEPOT (THE "OPTION LAND", AS FURTHER DESCRIBED HEREIN") (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY; (iv) APPROVING OUTLINED TERMS OF THE PROPOSED DISPOSAL OF THE OPTION LAND TO THE COMPANY; AND (v) AUTHORIZING THE ISSUANCE OF A SUPPLEMENTED NOTICE OF DISPOSITION OF THE OPTION LAND PURSUANT TO THE PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005.

After discussion, a motion was made by Robert Kernan accepting IDA Resolution No. 2007-05. Seconded by Bruce Bonafiglia. Motion carried with Messrs. Jones, Kernan, Bonafiglia, Kime, Patchen and Kaiser voting "yea".

Consent to the Merger of SMM Properties Corporation into The Blade Shop / Approval of Amendment to Lease/Leaseback/PILOT Agreements:

Glenn Cooke advised the Board that approval for the merger of SMM Properties Corporation into The Blade Shop is required. Glenn explained that when the IDA completed the lease, leaseback and PILOT for The Blade Shop, the entity used was SMM Properties Corporation. Glenn stated that legal counsel to The Blade Shop has become aware that placing ownership of the Project in SMM would interfere with the expected financing of the Project and would be unwise for business operational decisions. Therefore, Blade Shop counsel is requesting approval for the merger of SMM into The Blade Shop. After discussion, a motion was made by Thomas Kime consenting to the merger of SMM Properties Corporation into The Blade Shop and approving the amendment to the lease, leaseback and PILOT. Seconded by Lee Patchen. Motion carried.

Approval to Establish and Hire an IDA Administrative Assistant:

Glenn Cooke advised the Board that due to the administrative workload nearly tripling in the past two years, he is recommending the IDA hire a full-time Administrative Assistant, with salary in the mid-twenties with standard benefits. After discussion, a motion was made by Lee

Patchen approving establishing an IDA Administrative Assistant position and authority to hire an individual with salary in the mid-twenties range with standard IDA benefits. Seconded by Bruce Bonafiglia. Motion carried.

Approval of Stipend for IDA Treasurer:

Glenn Cooke stated that based on discussions with the Seneca County Manager, he would like to award a \$1,000 stipend to Gregory Keefe, the new IDA Treasurer, for the additional duties and responsibilities associated with the Treasurer position. Glenn stated that the stipend would be given in two payments, half now and the remainder in the second half of the year. After discussion, a motion was made by Lee Patchen to award a \$1,000 stipend to Gregory Keefe, IDA Treasurer, in two equal payments. Seconded by Bruce Bonafiglia. Motion carried.

Adjournment:

A motion to adjourn the meeting was made by David Kaiser and seconded by Bruce Bonafiglia. Motion carried. The meeting adjourned at 1:45 p.m.

The next scheduled meeting will be held on **March 1, 2007 at 12:00 Noon** at Abigail's Restaurant, Route 5 & 20, Waterloo.

Respectfully submitted,

Kenneth Lee Patchen, Jr./PJ

Kenneth Lee Patchen, Jr.
Secretary

pc: Sharon Secor, Seneca County Manager
Margaret Li, Clerk, Board of Supervisors
Shawn Griffin, Esq, Harris Beach
Russell Gaenzle, Esq, Harris Beach