



Triad Recycling Expansion - 2016

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name Triad Recycling
Applicant Address 3755 River Road, Tonawanda, New York 14120
Phone (716) 553-5512
Fax (716) 235-8822
E-mail jhannon@triadrecycle.com
Website www.triadrecycle.com
Federal ID# 27-2488108
NAICS Code 562920
Will a Real Estate Holding Company be utilized to own the Project property/facility No
What is the name of the Real Estate Holding Company
Federal ID#
State and Year of Incorporation/Organization
List of stockholders, members, or partners of Real Estate Holding Company

Individual Completing Application

Name John Hannon
Title Partner
Address 3755 River Road, Tonawanda, New York 14150
Phone (716) 553-5512
Fax (716) 235-8822
E-Mail jhannon@triadrecycle.com

Company Contact (if different from individual completing application)

Name

Title

Address

Phone

Fax

E-Mail

Company Counsel

Name of Attorney

Sean Hopkins

Firm Name

Hopkins and Sorgi

Address

5500 Main Street, Suite 100, Williamsville, New York 14221

Phone

(716) 510-4338

Fax

(716) 614-8801

E-Mail

shopkins@hopkinssorgi.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax

Yes

**Exemption from Mortgage
Tax**

Yes

**Exemption from Real
Property Tax**

Yes

Tax Exempt Financing*

No

* (typically for not-for-profits & small qualified manufacturers)

Business Organization

Type of Business

Corporation

Type of Ownership

Year Established

2010

State of Organization

New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

Chris Guard 33%, Ken Rawe 33%, John Hannon 33%

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

Triad Recycle was founded in 2010 to recycle roofing shingles into asphalt roads. Triad received a BUD from NYSDEC in 2010 to provide recycled asphalt shingles to the asphalt market. However market acceptance of shingles in roads was delayed by extensive DOT testing. Triad developed markets for wood, metals, cardboard, vinyl siding, glass, etc. to better recycle all types of construction materials. By 2012 Triad was able to recycle 29 materials typically found in dumpsters going to landfills. Expanding to industrial solid waste streams, we are now providing zero landfill services to 3 manufacturing plants including DuPont and Goodyear. The success to date is traced to our ability to develop a beneficial use and thus market for materials. Triad has been the FIRST in NY state to recycle mattresses, shingles, vinyl siding and gypsum wall board. Unique examples are: Discarded gypsum wallboard being ground and screened for use as soil amendment and animal bedding. Old mattresses are disassembled for steel, wood, polyurethane foam and fluff are 100% recycled. Triad Recycling and Energy is a WNY company specializing in recycling construction and demolition waste. Triad has worked closely with Erie County , NYSDEC, NYSDOT, NYSED to develop new markets for asphalt shingles, gypsum wallboard, glass and vinyl siding in addition to the standard commodities like paper, cardboard and metals. Market development is a continuous im

Estimated % of sales within Erie County	94
Estimated % of sales outside Erie County but within New York State	5
Estimated % of sales outside New York State but within the U.S.	0
Estimated % of sales outside the U.S.	1

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

Town of Tonawanda

Will the Proposed Project be located within the Municipality, or within a Municipality, identified above?

Yes

In which Municipality will the proposed project be located

Town of Tonawanda

Address

3701 River Road, Tonawanda, New York 14150

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If Yes, you will need to complete Section V of this Application)

SBL Number for Property upon which proposed Project will be located

New site is SBL 64.12-1, part of 15.1

What are the current real estate taxes on the proposed Project Site

Erie County: \$5,951.68, School: \$4,893.10

Assessed value of land

\$105,750

Assessed value of building(s)

0

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Town of Tonawanda

School District of Project Site

Ken Ton

Does the Applicant or any related entity currently hold fee title to the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

No

Describe the present use of the Proposed Project site

vacant land and old decaying buildings

Please provide narrative of project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

Phase 1 - Triad Recycling and Energy, located in Tonawanda, NY, recycles construction and demolition debris into varied and innovative markets. Founded in 2010 to recycle asphalt roofing shingles we quickly expanded to all construction debris. Triad is owned by Chris Guard (demolition and dumpsters), Ken Rawe (construction and concrete recycling) and John Hannon (DuPont R&D retiree). While markets for metals, cardboard and paper are well established, Triad's focus is developing markets for asphalt shingles, drywall, wood, fly ash, ground Corian® and mattresses, materials that are commonly landfilled throughout New York State. Developing quality products from dumpster debris is challenging, requiring simultaneous process, product and market development. Triad has experienced early success in both attracting an incoming stream of debris and developing markets for these materials. Triad was awarded an ESD Environmental Investment Program Grant in August 2011 to assist with our initial growth. Meeting and exceeding the project metrics we applied the \$90,000 payment to two building additions. To take the next growth step an expansion is planned. Triad is recycle partner for DuPont's Corian® manufacturing in Tonawanda and DuPont's Zodiaq® manufacturing in Quebec. Triad is the last stop to ensure Zero Landfill Manufacturing for many non-hazardous plant streams that traditionally went to landfill. Triad will assist DuPont's Tonawanda Tedlar manufacturing plant transition to Zero Landfill in 2014 with this expansion. Phase 2 - Page 4 narrative of project: Triad Recycling recently purchased the adjacent 15 acres to expand operations for Mattress recycling, DuPont Zero Landfill, Goodyear Zero Landfill activities and a future materials processing center. The project will involve repair and renovation of two previously abandoned building, roads, parking areas, drop off areas and a new processing building. Outdoor grinding operations will be housed in a "Hoop House" to allow operations to continue in inclement weather. Additionally we will add a wind turbine to generate electricity for the site. The project requires extensive site work including berms, plantings, storm water management, gates, fences and fire hydrants. Consistent with Triad's first 4 years, we will continue to strive to develop beneficially uses for materials currently going to landfill. This provides more jobs and tax revenue for Erie County residents. All Triad employees are full time employees receiving health care, vacation and 401K retirement benefits.

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

The purchase for the land is \$600,00. Required improvements to buildings, sitework, new power and facilities will cost an additional \$1,000,000.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

Present is abandoned industrial.

Describe required zoning/land use, if different

Current zoning is correct for Triad.

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

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

Yes

If yes, please provide a copy.

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?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Yes

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

Yes

If yes, please explain.

All new recycling streams involve processing developments to achieve in acceptable product for newly developed markets.

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

5%

Select Project Type for all end users at project site (you may check more than one)

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales	No	Services	No
---------------------	----	-----------------	----

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b) (4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Yes Manufacturing	No Multi-Tenant	No Mixed Use
No Acquisition of Existing Facility	Yes Commercial	No Facility for the Aging
No Housing	No Back Office	No Civic Facility (not for profit)
Yes Equipment Purchase	No Retail	Yes Other
		Recycle C&D

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 625,000 square feet 16 acres

New Building Construction

\$ 200,000 4,000 square feet

New Building addition(s)

\$ 75,000 5,000 square feet

Infrastructure Work

\$ 200,000

Renovation

\$ 125,000 4,032 square feet

Manufacturing Equipment

\$ 438,000

Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 400,000

Soft Costs: (professional services, etc.)

\$ 50,000

Other Cost

\$ 880,000

Explain Other Costs

Site work (roads, fences, berms, storm water, etc.) \$550,000 Wind Turbine materials taxable \$330,000.

Total Cost

\$ 2,993,000

Project Refinancing; estimated amount (for refinancing of existing debt only)

\$ 0

Sources of Funds for Project Costs:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge)

\$ 621,000

Lender Name, if Known

Bank of Akron

Equity

Have any of the above costs been paid or incurred as of the date of this Application?

Yes

If Yes, describe particulars:

Property purchased November 12, 2014

Construction Cost Breakdown:

Total Cost of Construction

\$ 1,880,000

(sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 1,105,000

% sourced in Erie County

95%

% sourced in State

100% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit

\$ 1,105,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ 96,688

For proposed facility please include # of sq ft for each of the uses outlined below

		Cost	% of Total Cost
Manufacturing/Processing	13,032 square feet	\$ 0	100
Warehouse	square feet	\$ 0	0
Research & Development	square feet	\$ 0	0
Commercial	square feet	\$ 0	0
Retail	square feet	\$ 0	0
Office	square feet	\$ 0	0
Specify Other	square feet	\$ 0	0

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking

Will project result in significant utility infrastructure cost or uses

Yes

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

2/1/2016

End date : Estimated completion date of project

11/1/2019

Project occupancy : estimated starting date of operations

7/1/2015

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

No

Has the Project received site plan approval from the appropriate planning department?

No

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion	Net total new jobs
Full time	0	0	3	3
Part time	0	0	0	0
Total	0	0	3	

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address			
Full time	0	15	0
Part time	0	0	0
Total	0	15	0

Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 75,000

Estimated average annual salary of jobs to be retained

\$ 25,000

Estimated average annual salary of jobs to be created

\$ 25,000

Estimated salary range of jobs to be created

From \$ 22,000 **To** \$ 29,000

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated

What competitive factors led you to inquire about sites outside of New York State?

DEC, DOT, NYPA and ESD are all supportive of our efforts to divert material from the landfills of NY State by developing beneficial uses for materials typically landfilled.

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

If yes, please indicate the Agency and nature of inquiry below

ESD -EIP for equipment.

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

Section III: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program?	No
What is the age of the structure (in years)?	0
Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)	Yes
If yes, number of years vacant?	10
Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)	No
If yes, please provide dollar amount of income being generated, if any	\$
Does the site have historical significance?	No
Are you applying for either State/Federal Historical Tax Credit Programs?	No
If yes, provide estimated value of tax credits	\$

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

We have established and are growing a construction debris recycling facility. Significant investment in time and funds by 3 owners have demonstrated the potential to keep many materials out of landfills. However, due to very low landfill rates, the margin associated with receiving, sorting, processing and recycling many streams has very low margins. We often will lose money for the first several years to develop process and market for a given material. So while the NYSDEC and NY Economic Development are very happy with our efforts to keep material out of the landfill, we need assistance thru grants and tax relief to continue being the first firm in NY State recycle drywall, mattresses and asphalt shingles.

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities

We have a NYS Economic Development Grant for equipment related to our expansion. We will receive grant funding for 18% of \$815,000 or \$280,000.

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments

The additional property is currently an eyesore on River Road in Tonawanda. Our current site, which is adjacent was in the same condition when we purchased it in 2010. Today it is well kept, nicely fenced and employs 40 individuals between Triad and Guard.

Section IV: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below.

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

0 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

Will the project be operated by a not-for-profit corporation?

<BLANK>

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located?

<BLANK>

If yes, please provide a third party market analysis or other documentation supporting your response.

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services?

<BLANK>

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York?

<BLANK>

If yes, explain

Is the project located in a Highly Distressed Area?

<BLANK>

Section V: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State No

Within Erie County No

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

No

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

11

Section VI: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility

Occupant Name	Triad Recycling and Energy
Address	3755 River Road
Contact Person	John Hannon
Phone	(716) 553-5512
Fax	(716) 235-8824
E-Mail	jhannon@triadrecyle.com
Federal ID #	27-2488108

SIC/NAICS Code

562920

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility

Have any tenant leases been entered into for this project?

<BLANK>

If yes, please fill out a tenant form in section VII, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
--------------------	---	--	---

Section VII: Environmental Questionnaire

General Background Information

Address of Premises 3701 River Road and 3755 River Road, Tonawanda, New York 14150

Name and Address of Owner of Premises 3755 River Road, LLC d.b.a. Triad Recycling and Energy

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)

Flat industrial property

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

50+ year old buildings. Building at 3755 River Road have been rebuilt and brought up to current codes. New recycling operations will require the 2 old decaying buildings to be improved and allow us to hire additional employees.

Describe all known former uses of the Premises

Sunoco Fuel

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

Yes

If yes, describe and attach any incident reports and the results of any investigations

3701 River Road had a fuel tank removed and the adjacent soil removed as part of bank environmental inspection prior to closing in 2014.

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the

past two (2) years

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

None

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

Storm water is collected in a settlement retention pond per our SPEEDES permit.

Is any waste discharged into or near surface water or groundwaters?

No

If yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

Yes

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

Peterson shingle grinding machine has a DEC air quality permit.

Are any of the air emission sources permitted?

Yes

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials