

J. NCDED – Niagara Falls International Airport Improvements (W338)

October 22, 2009

Grantee: Niagara County Department of Economic Development (“NCDED”)

Beneficiary

Organization: Niagara Frontier Transportation Authority (the “NFTA”)

ESD Investment: A grant of up to \$75,000 to be used for a portion of the cost of infrastructure improvements at the Niagara Falls International Airport (“NFIA”).

Project Location: NFIA, Porter Road and Niagara Falls Boulevard, Niagara Falls, Niagara County

NYS Empire Zone (or equivalent): N/A

Project Completion: October 2009

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Beneficiary

Contact: William R. Vanecek, Director of Aviation
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Project Team:

Project Management	Jim Seymour
Affirmative Action	Helen Daniels
Environmental	Soo Kang

Project Description:

Background

NCDED, formerly known as the Niagara County Department of Planning, Development and Tourism, is the lead economic development agency for Niagara County (the “County”). NCDED provides planning and technical assistance services including financial incentives to manufacturing, warehouse/distribution and business services companies; transportation and special project planning; state-of-the-art graphics and mapping; staff support to over thirty boards and committees, and grant support for various County departments, municipalities and not-for-profits.

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The NFTA, a New York State Authority founded in 1967, serves as the transportation authority for Niagara and Erie Counties, operating the region’s major commercial airport, the Buffalo Niagara International Airport (“BNIA”), the NFIA and the Metro Bus and Rail systems. The NFIA, a military joint-use facility, serves as a military and reliever airport for the BNIA and provides ad hoc charter services. With overwhelming passenger growth at the BNIA and the expansion of the County’s tourist attractions, NFTA embarked upon an aggressive marketing program to develop the NFIA for scheduled charter and passenger service, as well as cargo service. The eighteen-month marketing program attracted a major cargo developer, Kitty Hawk Aircargo, Inc. (“Kitty Hawk”), as well as seasonal, direct passenger service to Myrtle Beach, South Carolina, by Myrtle Beach Direct Air and Tours. With increased traffic, the NFIA cargo ramp recently and rapidly deteriorated and has presented such safety issues, that Kitty Hawk pilots have concerns regarding aircraft movement on the ramp. In order for Kitty Hawk to continue operations at NFIA, immediate repairs and improvements to the cargo ramp are necessary.

The Project

The \$2,825,000 project will assist in the funding of much needed landscaping and parking improvements to the new NFIA passenger terminal. It includes installation of parking lot height barriers, attractive landscaping design features and security camera system equipment. The NFTA is in the midst of an overall \$29.7 million improvement project at the NFIA. Designed to better accommodate modern passenger jets and improve passenger’s security experience, the facility is scheduled to open in October 2009. The new terminal, at 69,430 square feet, will more than triple the size of the current facility and will include a second story to facilitate jet bridges. The subject project will be funded by ESD’s grant and NFTA equity. ESD funds will be used toward the necessary new passenger terminal and airport improvements. The project was awarded December 2008 with notice to proceed in January 2009. The work is scheduled to be completed for the opening of the NFIA passenger terminal in the fall 2009. The project is expected to allow for current and future cargo service capabilities at the NFIA. NCDDED will manage the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure, Landscape and Security Improvements	\$2,825,000	ESD Grant	\$75,000	3%
		NFTA Equity	2,750,000	97%
Total Project Costs	\$2,825,000	Total Project Financing	\$2,825,000	100%

Environmental Review:

The Federal Aviation Administration (“FAA”) completed an environmental review for the construction of the new terminal building and associated improvements at the Niagara Falls International Airport, pursuant to the requirements of the National Environmental Policy Act (“NEPA”). The FAA prepared an Environmental Assessment and issued a Finding of No Significant Impact on the environment. ESD, however, was not an involved agency and therefore did not participate in the environmental review process for the project. The present

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request for ESD funding does not constitute an action beyond those actions already considered by the FAA and does not require additional environmental review under SEQRA.

Statutory Basis – Local Assistance:

The project was authorized in the 2008-2009 New York State budget and reappropriated in the 2009-2010 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee and Beneficiary Organization have provided ESDC with the required Disclosure and Accountability Certifications. Grantee's and Beneficiary Organization's certifications indicate that Grantee and Beneficiary Organization have no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.