

NYCIDA PROJECT COST/BENEFIT ANALYSIS

January 4, 2007

APPLICANT

Tri-State Biodiesel, LLC
209 East 7th Street, #5W
NY, NY 10009

PROJECT LOCATION

699 Columbia Street
Brooklyn, NY 11231

A. Project Description:

Tri-State Biodiesel, LLC (“Tri-State” or the “Company”), a manufacturer of biodiesel fuel, is seeking approximately \$3,930,000 in triple tax-exempt manufacturing facility bonds to (i) construct and equip an approximately 12,906 square foot biodiesel production facility located on an approximately 17,000 square foot leased parcel of land in the Gowanus Industrial Park at the Columbia Street Marine Terminal at 699 Columbia Street in the Red Hook section of Brooklyn to facilitate the conversion of cooking oil into biodiesel fuel (the “Production Facility”) and (ii) construct a tank storage farm for the warehousing and distribution of the end product at said facility (the “Tank Farm”) (collectively, the “Project”). The Project is located in the Southwest Brooklyn New York State Empire Zone.

Tri-State, a start-up operation, plans to convert recycled cooking oil into a renewable, non-toxic, bio-sustainable alternative fuel known as biodiesel. The Company anticipates producing 2.6 million gallons of biodiesel annually with plans to expand to 5 million gallons per year in its third year of operation. Tri-State projects it will be able to sell this product to fuel distributors, government and private fleets, and others. The Production Facility will also serve as the Company’s administrative offices. During the construction phase (estimated to last approximately eight months) Tri-State plans to create 51 construction jobs and upon completion of the facility, 16 full-time jobs. During the first three years of operation, Tri-State plans on hiring an additional 10 full-time employees, bringing total employment to 26 in Year 3.

Biodiesel runs inside any diesel engine and can be made from several different feed stocks such as soybeans or peanuts. All of the fuel at Tri-State’s facility will be made from restaurant grease. Tri-State anticipates the supply will come from over 1500 New York City restaurants, as well as other contracts. Tri-State has represented that it requires space in order to accommodate its operations. The Company has represented that locating to its proposed location will allow it to become competitive within the biodiesel industry. According to Tri-State’s management, absent the issuance of Agency bonds the Project would become costly to finance with pure equity, and could end up forcing the developers to either relocate to less expensive out-of-state real estate or to fold the project altogether.

The total cost of the project is approximately \$4,160,587 which includes approximately \$1,397,000 in construction costs, approximately \$1,900,000 in machinery and equipment purchases, approximately \$187,000 in capitalized interest, approximately \$396,000 in a debt service reserve fund, and approximately \$300,000 in closing costs. The project is expected to be financed with an approximately \$3,930,000 Agency tax-exempt bond issuance and approximately \$200,000 in Company equity. The benefits to be conveyed to the Company include tax-exempt bond financing, a mortgage recording tax waiver, building tax stabilization, land tax abatement, and sales and use tax exemption.

B. Costs to City -- New York City taxes to be exempted:

Property Tax Exemption (NPV, 15 years, 6.25%)	\$4,959,911
Sales Tax Exemption	112,250
<u>Estimated NYC Forgone Income Tax on Bond Interest (NPV 15 years, 6.25%)*</u>	<u>24,751</u>
Maximum Total	\$5,096,912

*The exact amount of personal income tax revenue that will be lost as a result of this transaction depends on factors including (but not limited to) the percentage of bonds bought by entities subject to New York City personal income taxes, the interest income generated from the bonds and the tax rate applied to bond purchasers.

C. Benefits to City -- Estimated annual New York City direct and indirect taxes to be generated by Project (NPV 15 years, 6.25%): **\$8,142,657**

Core Application – Applicant General Information

The Core Application captures specific and general information about the Applicant and the Project. This section begins with a survey of "General Information," followed by a section that describes the Applicant's Interest or relationship to the project site. This helps establish eligibility and which benefits will be applied to the project.

Name: Tri-State Biodiesel LLC
Address: 209 East 7 th Street, #5W, New York, NY 10009
Phone Number(s): (646) 432-5759
Fax Number(s): 212 477-4716
E-mail Address: brent@tristatebiodiesel.com
Website Address: www.tristatebiodiesel.com
Applicant EIN Number: XXXXXXXXXX
S.I.C. Code: 2869
NAICS Code: 325199

Date of Application: 6/19/2006

1. Applicable Program (please check one):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Manufacturing Facilities Bond Program | <input type="checkbox"/> Empowerment Zone Facilities Bond Program |
| <input type="checkbox"/> Industrial Incentive Program ("IIP") | <input type="checkbox"/> Exempt Facilities Bond Program |
| <input type="checkbox"/> Small Industrial Incentive Program ("SIIP") | |

SIIP is only available for Applicants with annual revenues of less than \$5 million and fewer than 100 employees; IIP is only available for Applicants with either annual revenues that are \$5 million or greater or 100 or more employees.

2. Officer of Applicant serving as contact person:

Name: <u>Brent Baker</u>	Firm: <u>Tri-State BiodieselLLC</u>
Phone # <u>(646) 432-5759</u>	Fax#: <u>212-477-4716</u>
E-mail Address: <u>brent@tristatebiodiesel.com</u>	Address: <u>209 East 7th Street, #5W, New York, NY 10009</u>

3. Attorney of Applicant:

Name: <u>Josh Sabo</u>	Firm: <u>Towne Law Firm</u>
Phone # <u>518-452-1800</u>	Fax#: <u>(518) 452-6435</u>
E-mail Address: <u>josh.sabo@townelaw.com</u>	Address: <u>421 New Corner Road, Albany, NY 12205</u>

4. Accountant of Applicant:

Name: <u>David Weiss</u>	Firm: <u>David Weiss CPA, LLC</u>
Phone # <u>(212) 695-5771</u>	Fax#: <u>(212) 629-0293</u>
E-mail Address: <u>gmglitter@davidweisscpa.com</u>	Address: <u>469 7th Avenue, Suite 1300, New York, NY 10018</u>

5. Other Advisor/Consultant to Applicant (if applicable):

Name: N/A Firm: N/A

Phone # N/A Fax#: N/A

E-mail Address: N/A Address: N/A

6. Applicant is (check one of the following, as applicable):

- | | | |
|---|---|---|
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> C Corporation |
| <input type="checkbox"/> S Corporation | <input checked="" type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Natural Person |
| <input type="checkbox"/> 501(c)(3) Organization | <input type="checkbox"/> Other (specify): _____ | |

7. Are any securities of Applicant publicly traded?

- Yes No

8. Applicant's state of incorporation or formation: Delaware

9. Applicant's date of incorporation or formation: June 2004

10. States in which Applicant is qualified to do business: New York, Delaware

11. Please provide a brief description of Applicant and nature of its business: Tri-State Biodiesel will produce a renewable fuel, biodiesel, from recycled cooking oil.

Core Application – Applicant Interest in Project Realty

Please note: An "Affiliate" means any individual, corporation, partnership, joint venture, sole proprietorship, limited liability company, trust or other entity that controls, is controlled by or is under common control with the Applicant or the "SPE" (defined herein below).

1. Please check all that apply:

- Applicant or an Affiliate is the fee simple owner of the Project realty.
- Applicant or an Affiliate is not currently, but expects to be the fee simple owner of the Project realty.
- Applicant or an Affiliate is not the owner of the Project realty, but is the occupant of a material portion thereof for the conduct of its business pursuant to a lease or other occupancy agreement.
- Applicant or an Affiliate is not the owner of the Project realty, but expects, immediately following the closing, to be the occupant of a material portion thereof for the conduct of its business pursuant to a lease or other occupancy agreement.
- None of the above categories fully describe Applicant and its relation to the Project realty, which may be more accurately described as follows (please provide copies of supporting documentation, as applicable):

N/A

Please note: Please pay particular attention to items 5, 6 and 16 in the Required Documents List (attached), which request additional information specific to the Project realty.

2. If a special-purpose entity ("SPE") that is owned and controlled by the Applicant will own or otherwise control the Project realty, the SPE will be a (check one of the following as applicable):

- General Partnership
- S Corporation
- Natural Person
- Limited Partnership
- Limited Liability Company
- Other (specify): _____
- C Corporation
- Not-for-profit 501(c)(3) Entity

Name of SPE: N/A
Address:
Phone Number(s):
Contact Person:
Title of Contact Person:
Affiliation of SPE to Applicant:
Owners of SPE and each respective ownership share:
SPE EIN Number:

Please note: If information required above for the SPE is unknown at time of Application submission, then please submit any missing information to the NYCIDA as soon as it becomes available.

Core Application – Project Description and Financial Information

Please complete this section of the Application for each of the Project sites, defined as a facility (perhaps encompassing more than one address and/or block and lot) with either a distinct employment base (as evidenced through D.O.L. reporting) or with a separate and distinguishable source of funding for the acquisition, renovation or construction of the facility. If more than one site exists for this Project, please make the requisite number of copies of this section and fill it out for each site.

Site# 1
Borough: Brooklyn
Neighborhood: Red Hook / Columbia Street Marine Terminal
Block(s): 614
Lot(s): 1
Street address and zip code: 699 Columbia Street, Brooklyn NY 11231
Zoning: M3-1
Square footage of land: 12,960
Square footage of existing building(s): N/A
Number of floors: 1
Intended use(s) (e.g., office, retail, etc.): Biodiesel production facility, with administrative offices.

1. Please provide the following Project information:

a. Please provide a brief description of the proposed Project: Simple chemical conversion of waste cooking oil into biodiesel, tank storage for purposes of distribution..

b. When does Applicant want Closing to occur (i.e., when does Applicant want the proceeds from the Bonds or other benefits sought to be available for the Project costs)? September 1st 2006

c. Indicate the estimated date for commencement of the Project: September 1st, 2006

d. Indicate the estimated date for completion of the Project: June 1st, 2007

e. Is the Project site located in a New York State Empire Zone?

Yes No

If Yes, which zone? Southwest Brooklyn

f. Is the project site located in the Federal Empowerment Zone?

Yes No

g. Will the Project require Uniform Land Use Review Procedure ("ULURP) approval?

Yes No

h. Will the Project require any other special permit or approval?

Yes No

If Yes, please explain: N/A

i. Is any governmental entity intended or proposed to be an occupant at the Project site?

Yes No

If Yes, please provide details:

j. Will the Project require a tax lot apportionment or subdivision? (Tax lot apportionment will be required for real estate tax benefits to commence.)

Yes No

If Yes, please provide details and timing: Apportionment will coincide with bond inducement. Preliminary work on apportionment is completed and apportionment language has been added to property lease.

2. Please complete the following summary of Project sources and uses:

Uses of Funds		Sources of Funds	
Land acquisition ³	N/A	Bonds	3,960,587
Building acquisition ³	N/A	Loan (1)	
New construction ⁴	1,397,337	Loan (2)	
Renovations		Capital campaign ³	
Fixed tenant improvements		Affiliate/employee loans	
Machinery and/or equipment	1,900,250	Company funds	
Soft costs (define):	0	Fund balance ³	
Furnishings		Other equity (explain)	200,000
Debt Service Reserve Fund ⁵	396,000	Other (explain)	
Capitalized Interest ²	187,000	Other (explain)	
Other (explain) Lease payments during start up.	280,000	Other (explain)	
Total Project Uses	4,160,587	Total Project Sources	4,160,587

3. Please list where machinery and equipment will be purchased and what percentage of total machinery and equipment relating to the Project this will represent:

New York City Percentage of Total? 4%

New York State (excluding NYC) Percentage of Total? 7%

United States (excluding NY State) Percentage of Total? 88%

Outside United States Percentage of Total? _____

³Please estimate Land and Building acquisition costs separately if possible.

⁴Please define New Construction on a separate piece of paper.

⁵Applies to not-for-profit bond financings only

Core Application – Background Information on Applicant & Applicant's Affiliates

Please note: "Principal" means the following with respect to the Applicant and/or the SPE: all persons (entities or individuals) that control the Applicant and/or the SPE, and/or own more than 10 percent of either; all executive officers; all directors; and all members and general partners for, respectively, limited liability companies and partnerships.

Please answer the following questions and, if necessary, include additional information as an attachment:

1. Has Applicant, or any Affiliate or Principal, ever received, or is any such person or entity currently receiving, financial assistance or any other kind of discretionary benefit from any local, state or federal governmental entity or agency, or any public authority or public benefit corporation, or any local development corporation?

Yes No If Yes, please provide details on an attached sheet.

Please note: local, state and federal governmental entities or agencies, public authorities or public benefit corporations, and local development corporations, shall be referred to as "Public Entit(y)(ies)."

2. Has Applicant, or any Affiliate or Principal, or any existing or proposed occupant at the Project site, obtained, or is any such person or entity in the process of obtaining, or contemplating obtaining, other assistance from the NYCIDA?

Yes No If Yes, please provide details on an attached sheet.

3. Has Applicant, or any Affiliate or Principal, ever defaulted on a loan or other obligation to a Public Entity?

Yes No If Yes, please provide details on an attached sheet.

4. Has real property in which Applicant, or Affiliate or Principal, holds or has ever held an ownership interest and/or controlling interest of 25 percent or more, now or ever been (i) the subject of foreclosure (including a deed in lieu of foreclosure), or (ii) in arrears with respect to any type of tax, assessment or other imposition?

Yes No If Yes, please provide details on an attached sheet.

5. Does Applicant, or any Affiliate or Principal, have any contingent liabilities not already covered above (e.g., judgment liens, lis pendens, other liens, etc.)? Please include mortgage loans and other loans taken in the ordinary course of business only if in default.

Yes No If Yes, please provide details on an attached sheet.

6. Has the Applicant, or any Affiliate or Principal, failed to file any required tax returns as and when required with appropriate governmental authorities?

Yes No If Yes, please provide details on an attached sheet.

Please answer the following questions relating to the Applicant (if the space provided below is insufficient, please provide complete information on an attached sheet):

7. List major customers:

Company Name	Address	Contact	Phone	Percent of Revenues
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

8. List major suppliers:

Company	Address	Contact	Phone
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	2525 Maryland Dr. St. Louis, Mo 63116	Bradley Bauman	[REDACTED]
[REDACTED]	Box 137A Reading PA 19601	Don Joseph	[REDACTED]
[REDACTED]	1801 E. Highway Dallas TX 75201	John Donnan	[REDACTED]
[REDACTED]	10 Holman Ave. Rahway, NJ 08069	Bob King	[REDACTED]
[REDACTED]	100 E 125th Street, Brooklyn NY 11238	Andy Lucif	[REDACTED]

9. List unions (if applicable)

Union Name	Address	Contact	Phone	Contact Expiration
N/A				

10. List banks:

Bank Name	Address	Contact	Phone	Type of Account
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

11. List licensing authorities, if applicable:

Company Name	Address	Contact	Phone	Percent of Revenues
N/A				

Core Application – Request, Certification etc.

I, the undersigned officer/member/partner of Applicant, on behalf of Applicant, hereby request, represent, certify, understand, acknowledge and agree as follows:

I request that this Application, together with all materials and data submitted in support of this Application (collectively, these "Application Materials"), be submitted for review to the NYCIDA Board, in order to obtain from the NYCIDA Board an expression of intent to provide the benefits requested herein for the Project. I understand that this expression of intent will take the form of an inducement resolution to be adopted by the Board.

I represent that I have the authority to sign these Application Materials on behalf of, and to bind, Applicant.

I certify to the best of my knowledge and belief that all of the information provided in these Application Materials is accurate, true and correct. I understand that an intentional misstatement of fact, or, whether intentional or not, a material misstatement of fact, or the providing of materially misleading information, or the omission of a material fact, may cause the Board to reject the request made in the Application Materials.

I understand the following: that Applicant and Principals will be subject to a background check and actual or proposed subtenants may be subject to a background check; that the NYCIDA may be required under SEQR to make a determination as to the Project's environmental impact and that in the event the NYCIDA does determine that the Project will have an environmental impact, Applicant will be required to prepare, at its own expense, an environmental impact statement; that the decision of the Board to approve or to reject the request made in the Application Materials is a discretionary decision; that no Bonds may be issued (if Bonds are being requested) unless such Bonds are approved by the Mayor; that under the New York State Freedom of Information Law ("FOIL"), the NYCIDA may be required to disclose the Application Materials and the information contained therein (see Disclosure Policy and Procedure); and that Applicant shall be entirely responsible and liable for the fees referred to in these Application Materials, including (in the case of Bonds) but not limited to payment of the New York State bond issuance fees (if applicable to the Bonds in question) based upon the aggregate principal amount of the Bonds.

I further understand and agree as follows:

That in the event the Application Materials are not submitted to the Board for any reason including negative results obtained through the background check, and/or, with respect to Application Materials that are submitted to the Board, in the event the Board rejects same, then, under either of said circumstances, Applicant shall have no recourse against the NYCIDA or any other public or governmental entity or public benefit corporation (including NYCEDC), or any directors, officers, employees or agents of the foregoing (collectively, the "Public Participants"), for the Application Fee, or for other expenses incurred by Applicant or other parties on behalf thereof, or for damages or specific performance; and that the Application Fee is under all circumstances (including but not limited to the ones just described and the ones described in the next succeeding paragraph) non-refundable; and

That if the Board adopts an inducement resolution with respect to the request made in the Application Materials, such adoption shall not be deemed a guaranty that the Board will adopt an authorizing resolution; or that the NYCIDA will then provide the induced benefits; and

That Applicant shall indemnify the NYCIDA for fees and disbursements incurred by bond counsel (in the case of a Bond transaction) or by project counsel (in the case of a straight-lease transaction); and that bond counsel or project counsel (as applicable) shall be a third-party beneficiary of this indemnity to the NYCIDA regardless of whether a Closing occurs and if no Closing occurs, regardless of the reason thereafter and regardless of whether a Closing was within or without the control of any of the Public Participants; and

That in the event NYCIDA discloses the Application Materials in response to a request made pursuant to FOIL, Applicant hereby authorizes the NYCIDA to make such disclosure and hereby releases the NYCIDA from any claim or action that Applicant may have or might bring against the NYCIDA, its directors, officers, agents, employees and attorneys, by reason of such disclosure; and that Applicant agrees to defend, indemnify and hold the NYCIDA and, if applicable, the NYCEDC and their respective directors, officers, agents, employees and attorneys harmless (including without limitation for the cost of reasonable attorneys fees) against claims arising out of such disclosure as such claims may be made by any party including the Applicant, Affiliate, Owner or Principal, or by the officers, directors, employees and agents thereof.

I acknowledge and agree that the NYCIDA reserves the right in its sole and absolute discretion to request additional information, waive any requirements set forth herein, and/or amend the form of this Application, to the full extent permitted by applicable law.

Requested, Represented, Certified, Acknowledged, Understood and Agreed by Applicant,

This 20th day of June, 2006 .

Name of Applicant: Brent Baker

By: **Printed Name of Signer:** Brent Baker

Title of Signer: CEO, Tri-State Biodiesel LLC

Signature: 

Employment Questionnaire

The New York City Industrial Development Agency requires all Applicants to fill out this Employment Questionnaire. As used in this Questionnaire, "Company" means the Applicant; "Project Location" means the project location which Applicant has identified in its Application; and "Tenant" means any person or entity to whom or to which Applicant intends to lease part or all of the Project Location. If Applicant is a real estate holding company that is an affiliate of an operating company and Applicant intends to lease the Project Location to such operating company, then the Applicant and the operating company must fill out separate copies of this Questionnaire.

Applicant Name: Tri-State Biodiesel LLC
Address: 609 East 7 th Street, Suite 5W, New York, NY 10009
Phone Number(s): 646-432-4716
Contact Person: Brent Baker
Title of Contact Person: CEO, Tri-State Biodiesel LLCr
Affiliation of SPE to Applicant: N/A
Owners of SPE and each respective ownership share: N/A
SPE EIN Number: N/A

1. Do you expect to conduct business at other locations in New York State?
 Yes No

2. Expected construction completion date (where applicable): June 2007

3. Department of Labor Registration Number of Tenant(s): N/A

Do not include any subcontractors or subconsultants; include only employees and owners/principals on your payroll and on the payroll of Tenant(s).

4. How many employees does Applicant employ in New York City at the time of Application submission?

Full-time: 2 Part-time: 0 (on average, Part-time workers work N/A hours per week)

5. How many employees referred to in question 4 reside in New York City at the time of Application submission?

Full-time: 2 Part-time: 0

6. How many employees does Applicant employ outside of New York City but in New York State at the time of Application submission?

Full-time: 0 Part-time: 0 (on average, Part-time workers work 0 hours per week)

7. How many employees does Applicant employ at the project location (annual average)?

Full-time: 0 Part-time: 0

8. Projected employment at Project Location for the Company on June 30:

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year
Full-time	15	15	26	26	26	26	26
Part-time	1	1					

9. Projected employment at Project Location for your Tenant(s) on an annual basis:

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year
Full-time	N/A						
Part-time							

10. Projected average quarterly wage/salary of employees at project location during first year of operation: \$ _____.

11. Describe the occupational composition of the workforce at the Project Location. Note differences between this composition and what is typical at other NYC locations.

3 administrative, 1 sales, 1 operations, 3 plant technicians, 8 drivers

12. Does Applicant intend to employ new employees at the Project Location, and/or will Applicant transfer current employees from premises currently being used? Please provide details.

2 existing employees will be transferred. 14 new employees will be hired.

I authorize any private or governmental entity, including but not limited to the New York State Department of Labor ("DOL"), to release to the NYCIDA and/or to NYCEDC and/or to the successors and assigns of either (collectively, the "Information Recipients"), any and all employment information under DOL's control that is pertinent to the Company and the Company's employees. In addition, upon the Agency's request, the Company shall provide to the Agency any employment information in the Company's possession that is pertinent to the Company and the Company's employees. Information released or provided to Information Recipients by DOL, or by any other governmental entity, or by any private entity, or by the Company itself, or any information previously released as provided by all or any of the foregoing parties (collectively, "Employment Information") may be disclosed by the Information Recipients in connection with the administration of the programs of the Agency, and/or NYCEDC, and/or the successors and assigns of either, and/or the City of New York, and/or as may be necessary to comply with law; and without limiting the foregoing, the Employment Information may be included in (1) reports prepared by the Information Recipients pursuant to New York City Local Law 69 of 1993, (2) other reports required of the Agency, and (3) any other reports required by law. This authorization shall remain in effect throughout the term of this Lease.

Name of Applicant: Tri-State Biodiesel LLC

By: Printed Name of Signer: Brent Baker

Title of Signer: CEO

Signature: 

Date: 6/20/2006

Attach to this Questionnaire your most recent four quarters of the NYS-45 "Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return." Attach additional pages if necessary.

NYCIDA Employment and Other Labor Matters Questionnaire

The Applicant and its Affiliates hereinafter will be referred to as the "Companies" or individually as a "Company." If any of the following questions applies to none of these Companies, answer "NONE"; but, for any question that does apply, be sure to specify to which of the Companies the answer is relevant. When the space provided for an answer is insufficient, provide the answer on a separate sheet of paper and attach that paper to this Questionnaire.

1. List all of the labor union contracts and collective bargaining arrangements to which any of the Companies is currently a party:

None

2. Have any of the Companies during the current calendar year and the five calendar years preceding the current calendar year experienced labor unrest situations, including pending or threatened labor strikes, hand billing, consumer boycotts, mass demonstrations or other similar incidents?

Yes No

If Yes, please explain:

3. Have any of the Companies received any federal and/or state unfair labor practices complaints asserted during the current calendar year and the three calendar years preceding the current calendar year?

Yes No

If Yes, please describe and explain current status of complaints:

4. Do any of the Companies have pending or threatened requests for arbitration, grievance proceedings, labor disputes, strikes or disturbances during the current calendar year and the three calendar years preceding the current calendar year?

Yes No

If Yes, please explain:

5. Are all employees of the Companies permitted to work in the United States?

Yes No

If No, please provide details on an attached sheet.

What steps do the Companies take as a matter of course to ascertain their employees' employment status?

N/A

Do the Companies complete and retain all required documentation related to this inquiry, such as Employment Eligibility Verification (I-9) forms?

Yes No

If No, please explain:

6. Has the United States Department of Labor, the New York State Department of Labor, the New York City Office of the Comptroller or any other local, state or federal department, agency or commission having regulatory or oversight responsibility with respect to workers and/or their working conditions and/or their wages, inspected the premises of any Company or audited the payroll records of any Company during the current calendar year or during the three calendar years preceding the current one?

Yes No

If the answer to this question is "Yes," briefly describe the nature of the inspection, the inspecting governmental entity and when the inspection occurred. Briefly describe the outcome of the inspection, including any reports that may have been issued and any fines or remedial or other requirements imposed upon the Company or Companies as a consequence:

7. Has any Company incurred, or potentially incurred, any liability (including withdrawal liability) with respect to an employee benefit plan, including a pension plan?

Yes No

If the answer to this question is "Yes," quantify the liability and briefly describe its nature and refer to any governmental entities that have had regulatory contact with the Company in connection with the liability:

8. Are the practices of any Company now, or have they been at any time during the three calendar years preceding the current calendar year, the subject of any complaints, claims, proceedings or litigation arising from alleged discrimination in the hiring, firing, promoting, compensating or general treatment of employees?

Yes No

If the answer to this is "Yes," provide details. When answering this question, please consider "discrimination" to include sexual harassment.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above, and in any statement attached hereto, are true and correct.

Name of Applicant: Tri-State Biodiesel LLC

By: Printed Name of Signer: Brent Baker

Title of Signer: CEO

Signature: 

Date: 6/20/2006

NYCIDA Anti-Raiding Questionnaire

1. Will the completion of the Project result in the removal of a plant or facility of Applicant, or of a proposed occupant of the Project, from an area in New York State (but outside of New York City) to an area within New York City?

Yes No

If "Yes," please provide the following information:

Address of the to-be-removed plant or facility:

Names of all current occupants of the to-be-removed plant or facility:

2. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant, or of any proposed occupant of the Project, located in an area of New York State other than New York City?

Yes No

If "Yes," please provide the following information:

Addresses of the to-be-abandoned plant(s) or facility(ies):

Names of all current occupants of the to-be-abandoned plants or facilities:

3. Will the completion of the Project in any way cause the removal and/or abandonment of plants and facilities anywhere in New York State (but outside of New York City)?

Yes No

If "Yes," please provide all information relevant to such future removal and/or abandonment:

If the answer to either question 1, 2 or 3, is "Yes," please continue and answer questions 4 and 5.

4. Is the Project reasonably necessary to preserve the competitive position of this Applicant, or of any proposed occupants of the Project, in its industry?

Yes No

5. Is the Project reasonably necessary to discourage the Applicant, or any proposed occupant of the Project, from removing such plant or facility to a location outside New York State?

Yes No

If the answer to question 4 and/or question 5 is "Yes," please provide on a separate sheet of paper a detailed statement explaining same.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above, and in any statement attached hereto, are true and correct.

Name of Applicant: Tri-State Biodiesel LLC

By: Printed Name of Signer: Brent Baker

Title of Signer: CEO

Signature: 

Date: 6/26/2006

NYCIDA Retail Questionnaire

1. Will any portion of the Project consist of facilities or property that are or will be primarily used in making retail sales of goods to customers who personally visit the Project? NO (3)
2. If the answer to question 1 is "Yes," will the applicant or any other project occupant be 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)? NO (N/A) (5)
3. Will any portion of the Project consist of facilities or property that are or will be primarily used in making retail sales of services to customers who personally visit the Project?
 Yes No
4. If the answer to question 1 or question 3 is "Yes," 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?
 _____ percent
5. If the answer to question 1 or question 3 is "Yes," and the answer to question 4 is more than 33.33 percent, indicate whether any of the following apply to the Project:
 - a. Will a not-for-profit corporation operate the Project?
 Yes No
 - b. Is the Project likely to attract a significant number of visitors from outside New York City?
 Yes No
 - c. Would the Applicant, but for the contemplated financial assistance from the NYCIDA, locate the related jobs outside the State of New York?
 Yes No
 - d. Is the predominant purpose of the Project to make available goods or services that would not, but for the Project, be reasonably accessible to New York City residents because of a lack of reasonably accessible retail trade facilities offering such goods or services?
 Yes No
 - e. Will the Project be located in one of the following: (a) an area designated as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (b) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) that, according to the most recent census data, has (i) a poverty rate of at least 20 percent for the year to which the data relates, or at least 20 percent of its households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?
 Yes No
6. If the answers to any of subdivisions (c) through (e) of question 5 are "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?
 If "Yes", please furnish details in a separate attachment.
7. If the answers to any of subdivisions (a) through (e) of question 5 are "Yes," please furnish details in a separate attachment.

Manufacturing Questionnaire

Please complete the following questions for each facility to be financed. Use additional pages as necessary. For background information, see "Requirements for Issuance of Triple Tax-Exempt Bonds for Manufacturing Facilities" located in the Introduction and Information section of this Application.

- Describe the production process that occurs at the facility to be financed: The collection, storage, purification of recycled cooking oils, and its simple chemical conversion to a non-toxic, renewable alternative fuel known as biodiesel.
- Allocate portions of the facility to be financed by function, expressed in square footage and location in relation to production (e.g., same building, adjacent land or building, off-site, etc.):

Function	Location	Square Footage
Production line	N/A	N/A
Warehouse/storage	2400 sq ft	Same
Loading areas	2900 sq ft	Same
Office space for a shop foreman	70 sq ft	Same
Employee restrooms, locker rooms and parking	800 sq ft	Same
Employee eating area	144 sq ft	Same
Repair shop	320 sq ft	Same
Offices for administration	640 sq ft	Same
Other (specify) Tank storage	2880 sq ft	Same
Other (specify) processing equipment	2750 sq ft	Same
Total Square Footage		12,904

- Of the space allocated to offices for administration above, identify by function (e.g., executive offices, payroll, production, etc.) and location in relation to production (same building, adjacent land or building, off-site, etc.):

Function	Location	Square Footage
Administrative Offices	Same	400
Payroll	Same	200
Production Support	Same	400
Total Square Footage		1000

4. Of the space allocated to storage or warehousing above, identify the square footage and location of the areas devoted to the following:

Category	Location	Square Footage
Raw materials used for production of manufacturing goods	1440 sq ft	Same
Finished product storage	1440 sq ft	Same
Component parts of goods manufactured at the facility	N/A	
Purchased component parts	N/A	
Other (specify) Raw Materials, chemical storage	240 sq ft	Same
Other (specify)		
Other (specify)		
Total Square Footage		0

5. List raw materials used in the processing of the finished product(s) at the facility to be financed: Recycled Cooking oil, potassium hydroxide, sulfuric acid, water

6. List finished product(s) that are produced at the facility to be financed: ASTM D 6751-06 compliant biodiesel. Unrefined glycerine.

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above, and in any statement attached hereto, are true and correct.

Name of Applicant: Tri-State Biodiesel LLC

By: Printed Name of Signer: Brent Baker

Title of Signer: CEO

Signature: 

Date: 6/20/2006

Energy Benefits Questionnaire

If the Project should be considered for energy benefits, please answer the following questions:

1. Please list Applicant's current electricity and/or gas providers and account numbers with such providers:

Provider: N/A Account Number: _____

Provider: N/A Account Number: _____

Provider: N/A Account Number: _____

Provider: N/A Account Number: _____

2. Please provide a description of the current/existing site used by the Applicant:

a. Total square footage of building at site: 0

b. Current use of site: Percent storage: N/A

Percent office: N/A

Percent refrigeration: N/A

Percent processing/manufacturing: N/A

3. Please provide a description of Project site:

a. Total square footage of building at site: 0

b. Projected use of site: Percent storage: N/A

Percent office: N/A

Percent refrigeration: N/A

Percent processing/manufacturing: N/A

4. Will the Project include the construction of a new building on a block and lot that is currently unimproved?

Yes No

5. Does the Project site include a building that has been vacant for at least 12 of the last 24 months?


Yes No

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above, and in any statement attached hereto, are true and correct.

Name of Applicant: Tri-State Biodiesel LLC

By: Printed Name of Signer: Brent Baker

Title of Signer: CEO

Signature: 

Date: 6/20/2006

Environmental Assessment Form

Please note: This document is designed to assist in determining whether the action proposed may have a significant effect on the environment. Please complete the entire form. Answers to these questions will be considered as part of the application for approval and may be subject to further verification and public review. It is expected that completion of the full EAF will be dependent on the information currently available and will not include new studies, research investigation. If information requiring such additional work is unavailable so indicate and specify each instance.

Name of action: Construction of a biodiesel production facility	
Location of action (or show site location on a copy of a Hagstrom or other street map): Columbia Street Marine Terminal, Brooklyn New York	
Name of Applicant: Tri-State Biodiesel LLC	Telephone: 646-432-5759
Address of Applicant: 209 East 7 th Street, Suite 5W, NY NY 10009	FAX: 212-477-4716
	Contact: Brent Baker
Name of Owner (if different): Brent Baker, CEO	Telephone: 646-432-5759
Address of Owner: 209 East 7 th Street, Suite 5W, NY, NY 10009	FAX: 212-477-4716
	Contact: Brent Baker
Description of action (please be precise): Provision of financial assistance for the purpose of the construction of a biodiesel production facility. Site is part of the Gowanus Industrial Park (go to www.gowanusinc.com for more information regarding this property). recycled cooking oils will be delivered to the production facility, whereupon it will be chemically converted into a renewable, non-toxic, biosustainable alternative fuel known as biodiesel.	

Site Description

(Physical setting of overall Project, both developed and undeveloped areas.)

1. Present land use:
- | | | |
|---|--|---|
| <input type="checkbox"/> Urban | <input checked="" type="checkbox"/> Industrial | <input type="checkbox"/> Commercial |
| <input type="checkbox"/> Forest | <input type="checkbox"/> Agriculture | <input type="checkbox"/> Residential (suburban) |
| <input type="checkbox"/> Rural (non-farm) | <input type="checkbox"/> Other: _____ | |

2. Total acreage of Project area: _____ acres

Approximate Acreage	Presently (in acres)	After Completion (in acres)
Meadow or brushland (non-agricultural)	0	0
Forested	0	0
Agricultural (includes orchards, cropland, pasture, etc.)	0	0
Wetland (freshwater or tidal as per Articles 24, 25 of ECL)	0	0
Water surface area	0	0
Unvegetated (rock, earth or fill)	0	0
Roads, building and other paved surfaces	Unknown	.7
Other (indicate type) N/A	N/A	N/A

3. What is predominant soil type(s) on Project site?

- a. Soil drainage: Well-drained N/A percent of site
 Moderately well drained N/A percent of site
 Poorly drained N/A percent of site

b. If any agricultural land is involved, how many acres of soil are classified within soil group 1 through 4 of the NY Land Classification System? N/A acres. (See I NYCRR 370).

4. Are there bedrock outcroppings on Project site?

- Yes No

If Yes, what is depth to bedrock? N/A (in feet)

5. Approximate percentage of proposed Project site with slopes:

- 0-10 percent
 10-15 percent
 15 percent or greater

6. Is Project substantially contiguous to, or contain a building, site or district listed on the State or the National Registers of Historic Places?

- Yes No

7. Is Project substantially contiguous to a site on the Register of National Natural Landmarks?

- Yes No

8. What is the depth of the water table? N/A (in feet)

9. Is site located over a primary, principal or sole source aquifer?

- Yes No

10. Do hunting, fishing or shellfishing opportunities currently exist in the Project area?

- Yes No

11. Does Project site contain any species of plant or animal life that is identified as threatened or endangered?

- Yes No

If yes, according to: N/A

If yes, please identify each species: N/A

12. Are there any unique or unusual landforms on the Project site? (i.e., cliffs, dunes, other geological formations)

- Yes No

If yes, please describe: N/A

13. Is the Project site currently used by the community or neighborhood as an open space or recreation area?

- Yes No

If yes, please explain: N/A

14. Does the present site include scenic views known to be important to the community?

- Yes No

15. Please list the streams within or contiguous to Project area: N/A

Please list the name of stream and name of river to which it is tributary: N/A

16. Please list lakes, ponds, wetland areas within or contiguous to Project area:

a. Name: None

b. Size (in acres): N/A

17. Is the site served by existing public utilities?

Yes No

If Yes, does sufficient capacity exist to allow connection?

Yes No

If Yes, will improvements be necessary to allow connection?

Yes No

18. Is the site located in an agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304?

Yes No

19. Is the site located in or substantially contiguous to a Critical Environmental Area designated pursuant to Article 8 of the ECL and 6 NYCRR617?

Yes No

20. Has the site ever been used for the disposal of solid or hazardous wastes?

Yes No

21. Is any part or the entire site listed on the National Priorities List, CERCLA Information System List ("CERCLIS LIST"), the New York State Inactive Hazardous Waste Disposal Site Registry and/or the New York State Petroleum Spill List?

Yes No

If Yes, please provide specific information regarding such listing on a separate piece of paper.

22. Has any part or all of the site been listed on the National Priorities List, CERCLIS LIST, the New York State Inactive Hazardous Waste Disposal Site Registry and/or the New York State Petroleum Spill List?

Yes No

23. Are there any hazardous and/or toxic or similar material(s), substance(s) and/or waste(s), including but not limited to petroleum products, present at the site that may pose a health or physical hazard to persons employed at or visiting the Project site?

Yes No

If Yes please provide specific information regarding all such material(s), substance(s) and/or waste(s): N/A

24. Are there any properties which are or have been listed on the National Priorities List, CERCLIS LIST, the New York State Inactive Hazardous Waste Disposal Site Registry and/or the New York State Petroleum Spill List within a 1/4-mile radius of the site?

Yes No

If Yes, please provide specific information regarding all such property(ies) on a separate piece of paper.

25. Are there any properties which are or have been listed on the National Priorities List, CERCLIS LIST, the New York State Inactive Hazardous Waste Disposal Site Registry and/or the New York State Petroleum Spill List that may pose a health or physical hazard to persons employed at or visiting the site?

Yes No

If Yes, please provide specific information regarding all such property(ies) on a separate piece of paper.

26. Does the Applicant have any reason to believe that there are any hazardous and/or toxic or similar material(s), substance(s) and/or waste(s), including but not limited to petroleum products, present at properties in the vicinity of the site that which may pose a health or physical hazard to persons employed at the visiting site?

Yes No

If Yes, please explain on a separate piece of paper.

Project Description

1. Physical dimensions and scale of Project (fill in dimensions as appropriate)
 - a. Total contiguous acreage owned or controlled by Project sponsor: .7 acres.
 - b. Project acreage to be developed: .7 acres initially; .7 acres ultimately.
 - c. Project acreage to remain undeveloped: N/A acres.
 - d. Length of Project, in miles: N/A (if appropriate).
 - e. If the Project is an expansion, indicate percent of expansion proposed: N/A percent.
 - f. Number of off-street parking spaces: existing 15; proposed 15.
 - g. Maximum vehicular trips generated in the AM and PM peak hours upon completion of Project: 10.
 - h. If residential, number and type of housing units: N/A

	One Family	Two Family	Multiple Family	Condominium
Initially	N/A	N/A	N/A	N/A
Ultimately	N/A	N/A	N/A	N/A

- i. Dimensions (in feet) of largest proposed structure: 24 height; 60 width; 120 length.
 - j. Linear feet of frontage along a public thoroughfare Project will occupy: 0 ft.
2. How much natural material (i.e., rock, earth, etc.) will be removed from the site? unknown tons/cubic yards.
3. Will disturbed areas be reclaimed?

Yes No N/A

If Yes, for what intended purpose is the site being reclaimed?

If Yes, will topsoil be stockpiled for reclamation? Yes No

If Yes, will upper subsoil be stockpiled for reclamation? Yes No
4. How many acres of vegetation (trees, shrubs, ground covers) will be removed from site? 0 acres
5. Will any mature forest (over 100 years old) or other locally important vegetation be removed by this Project?

Yes No
6. If single phase Project, anticipated period of construction 8 months (including demolition).
7. If multi-phased:
 - a. Total number of phases anticipated N/A
 - b. Anticipated date of commencement phase 1 N/A month N/A year (including demolition)
 - c. Approximate completion date of final phase N/A month N/A year.
 - d. Is phase 1 functionally dependent on subsequent phases? Yes No
8. Will blasting occur during construction?

Yes No
9. Number of jobs generated: during construction 51 after Project is complete 16
10. Number of jobs eliminated by this Project 0
11. Will Project require relocation of any Projects or facilities?

Yes No

If yes, please explain: N/A

12. Is surface liquid waste disposal involved?

Yes No

If Yes, indicate type of waste (sewage, industrial, etc.) and amount: N/A

If Yes, name of water body into which effluent will be discharged: N/A

13. Is subsurface liquid waste disposal involved?

Yes No

If Yes, please explain: N/A

14. Will surface area of an existing water body increase or decrease by proposal?

Yes No

If Yes, please explain: N/A

15. Is Project or any portion of Project located in a 100-year flood plain?

Yes No

16. Will the Project generate solid waste?

Yes No

If Yes, what is the amount per month? N/A tons.

If Yes, will an existing solid waste facility be used? Yes No

If Yes, please give name: N/A And location: N/A

Will any wastes not go into a sewage disposal system or into a sanitary landfill? Yes No

If Yes, please explain: N/A

17. Will the Project involve the disposal of solid waste?

Yes No

If Yes, what is the anticipated rate of disposal? N/A tons/month.

If Yes, what is the anticipated site life? N/A years.

18. Will Project use herbicides or pesticides?

Yes No

19. Will Project routinely produce odors (more than one hour per day)?

Yes No

20. Will Project produce operating noise exceeding the local ambient noise levels?

Yes No

21. Will Project result in an increase in energy use?

Yes No

If Yes, indicate type(s): Typical electrical utilization

22. If water supply is from wells, indicate pumping capacity: N/A gallons/minute.

23. Total anticipated water usage: 8000 gallons/day.

24. Does Project involve local, state or federal funding?

Yes No

If Yes, please explain: N/A

25. Approvals Required:

City, Town, Village Planning Board	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Type: _____	Submittal Date: _____
City, Town, Zoning Board	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Type: _____	Submittal Date: _____
City, County Health Department	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Type: _____	Submittal Date: _____
Other Local Agencies	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Type: <u>DEP, DOB, FDNY</u>	Submittal Date: <u>Pending</u>
State Agencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Type: _____	Submittal Date: _____
Federal Agencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Type: _____	Submittal Date: _____

Zoning and Planning Information

1. Does proposed action involve a planning or zoning decision?

Yes No

If Yes, indicate decision required:

<input type="checkbox"/> Zoning amendment	<input type="checkbox"/> Zoning variance	<input type="checkbox"/> Special use permit
<input type="checkbox"/> Subdivision	<input type="checkbox"/> Site plan	<input type="checkbox"/> New/revision of master plan
<input type="checkbox"/> Resource Management Plan	<input type="checkbox"/> Other (specify): _____	

2. What is the zoning classification(s) of the site? M3-1

3. What is the maximum potential development of the site if developed as permitted by the present zoning? Unknown

4. What is the proposed zoning of the site? M3-1

5. What is the maximum potential development of the site if developed as permitted by the proposed zoning? Unknown

6. Is the proposed action consistent with the recommended uses in adopted local land use plans?

Yes No

7. What are the predominant land use(s) and zoning classifications within a 1/4-mile radius of proposed action?

Truck parking, fuel oil distribution, concrete processing facility, all M3-1 zoning.

8. Is the proposed action compatible with adjoining/surrounding land uses within a 1/4-mile radius?

Yes No

9. If the proposed action is the subdivision of land, how many lots are proposed? 1

What is the minimum lot size proposed? .7 acres

10. Will proposed action require any authorization(s) for the formation of sewer or water districts?

Yes No

11. Will the proposed action create a demand for any community provided services (recreation, education, police, fire protection)?

Yes No

If Yes, is existing capacity sufficient to handle projected demand? Yes No

12. Will the proposed action result in the generation of traffic significantly above present levels?

Yes No

If Yes, is the existing road network adequate to handle the additional traffic? Yes No

Informational Details

Attach any additional information that may be needed to clarify your Project. If there are or could be any adverse environmental impacts with your proposal, please discuss such impacts and the measures you propose to mitigate or avoid them.

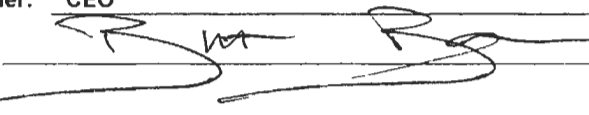
Certification

THE UNDERSIGNED HEREBY CERTIFIES that the answers and information provided above, and in any statement attached hereto, are true and correct.

Name of Applicant: Tri-State Biodiesel LLC

By: **Printed Name of Signer:** Brent Baker

Title of Signer: CEO

Signature: 

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment.