

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Meeting of December 7, 2018**

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CALL TO ORDER: Chairman Staples called the meeting to order at 8:34 AM at the IDA office, Ernest J. LaBaff Industrial Building, Canton.

ROLL CALL:

Blevins .....	Absent	Hooper .....	Present
Hall.....	Present	LaBaff.....	Present
McMahon .....	Present	Staples.....	Present
Morrill .....	Present		

SLCIDA Chairman Mr. Staples announces there is a quorum.

Others: SLCIDA Staff (Patrick Kelly, Kimberly Gilbert, Richard Williams and Lori Sibley); SLCIDA-LDC Staff (Thomas Plastino); Agency General Council (Andrew Silver, Esq.)

PUBLIC NOTICE: Public notifications sent November 30, 2018 to, at a minimum: newspapers designated for the publication of local laws and other matters required by law to be published; additional local media sources and websites.

PUBLIC COMMENT:

APPROVAL OF MINUTES: Motion to accept the minutes of the October 18, 2018 meeting by Mr. LaBaff seconded by Mr. Morrill. Carried unanimously.

FINANCIAL REPORTS: Motion to accept the October 2018 financial reports by Mr. LaBaff, seconded by Mr. Hall. Ms. Gilbert reviews the highlights from the October financials and reports that the last payment from the DANC grant was received for the J&L Project. She also notes miscellaneous project fees were received from Thew Associates, Upstate Niagara Cooperative (North Country Dairy) and North American Forest Group, Inc. Lastly, she references the GMEDF loan that was issued for construction of buildings in Massena. With about \$50,000 left to payoff, she suggests paying off the loan at this time in order to save on additional interest expenses. The board unanimously approves moving forward with procedures to pay-off the loan.

COMMITTEE REPORTS:

STAFF REPORT: Mr. Kelly reports the following:

Empire State Mines: After several meetings with the new management at Empire State Mines, an amending resolution is on today's agenda. There are currently 190 jobs at the facility with plans to hire an additional 20 people. The company has pointed out that 88% of those hires are local people with an additional 6% being people hired outside the area that have relocated here, indicating the company's "localization plan" has been a success. The project has clearly created new employment opportunities in the Fowler/Gouverneur area is making the expected positive economic impact throughout the area. As we move into 2019, the company plans to continue to work with the IDA as it develops plans for additional potential expansions. Mr. Staples notes that that the zinc is refined in Canada and he wonders if there will be challenges for the company relating to trade and tariffs. Mr. Kelly adds that he is not aware of potential issues at this time but will discuss the issue with the company.

Former Newell Building: Staff met with the City of Ogdensburg Code Office to discuss items required to meet code in the design and engineering process as we move into the rehabilitation phase of the project.

J&L Rehabilitation Project: The buildings by the road and the “main” buildings have been taken down as part of the phase 2 rehabilitation process. Mr. Hall adds that the landscape has changed quite a bit. He notes that cleanup efforts to tear down a few additional buildings will continue in the spring.

St. Lawrence Soyway: A news story involving details relevant to the project location was recently published after a meeting of the Town of Massena Planning Board. As the article pointed out, the company was originally planning to build on the site of the former DPW in Massena. However, the Company is now considering other options, including land at the former Reynolds Metals facility. We have been in contact with the company and has informed them that a new project location will require and new application, review and approval process through the IDA.

Buildings: From the Heart Cabinetry, a tenant in the Potsdam Commerce Park building, is in discussions with us to acquire the building. The company recently received a recommendation for an award of \$95,000 for the project from the Northern New York Power Proceeds Allocation Board. Mr. Kelly points out that he is Chairman of that Board and recused himself from the discussion and vote on the award, and in any case, the actual approval for the award will have to come from the New York Power Authority’s Board of Trustees when they meet in January. Mr. Williams, IDA Facilities Manager, has been the primary contact with the company and is assisting the company as it completes an application for Excelsior Tax Credits through Empire State Development for the proposed project. From the Heart currently employs 5 people and is hoping to add another five as a result of the project. A public hearing will be scheduled in January, as the Company will be seeking financial assistance through the IDA in the form of a lease-purchase and PILOT agreement.

If the From the Heart project moves forward, approximately 41,000 square feet of once-vacant space owned by the IDA or IDA-LDC will have been filled over the course of the past year or so. This includes space in the Canton Industrial Building (Parker Maple), the Lot 18 Building in the Massena Industrial Park (AmTech Yarns). Mr. Kelly adds that discussions will continue in the new year relative to the future development of additional sites or buildings, as the current buildings are nearly filled-to-capacity.

Marketing: Tradeshow/Events: On November 14<sup>th</sup> and 15<sup>th</sup>, staff exhibited at the Advanced Design and Manufacturing Expo in Montreal, Canada. When in town, staff co-hosted a business development reception at the Consulate General’s residence, as part of a coordinated effort to promote the County while in Montreal for the trade show. Approximately 15 companies were in attendance. Economic Development representatives from the City of Ogdensburg, Village of Potsdam and NYPA were there to assist.

Website Redevelopment Project: Mr. Kelly with NYPA officials and a host of potential vendors after bids were received for the website redevelopment project. There will be a great deal of work going into the new, enhanced website, allowing the opportunity for the IDA to gain more exposure while also developing a much more robust and functional website

Banner Ads: We are once again posting holiday banner ads on the Northern New York Newspapers’ websites for the months of November and December as part of our **Come Back Here** Campaign.

Calendars: As part of our outreach efforts, 100 calendars were purchased from the St. Lawrence County Arts Council which will be mailed mid-December to current prospects.

Appointments/Reappointments: Mr. Hall has been reappointed to the IDA Board for an additional 3-year term. Also, Donald Hooper will leave his County Legislator post on the IDA Board effective the end of this month and a new legislative representative will be appointed to the IDA Board beginning in January 2019. The staff and members of the IDA then thank Mr. Hooper for his service and support both during his tenure as an IDA Board Member and as a County Legislator.

OLD BUSINESS: None

NEW BUSINESS:

Resolution IDA-18-12-32: Authorizing Termination of Lease, Leaseback, and PILOT Agreements with Maxam North America, Inc.: With job numbers not meeting the expectations as outlined in the application, and after several discussions with company officials, Maxam has been informed that the IDA will likely act to terminate the company's PILOT agreement. The company understands the reasoning for the termination and acknowledges that the job creation from the project has differed from their original expectations. With 3 of the proposed 12 jobs created at approximately the quarter point of the PILOT agreement, this is an appropriate time to terminate the agreement. Mr. LaBaff motions to approve Resolution IDA-18-12-32, seconded by Mr. Hooper. The motion is approved by unanimous vote.

Resolution IDA-18-12-33: Authorizing and Adopting Amended Application, and Adopting Certain Amended Project Agreements, Adopting Technical Corrections and Adopting and New Form of Exhibit for Project Authorizing Resolutions: A former employee of the IDA was recently hired as an independent consultant to work on a project basis to conduct a proactive review of our sales and use tax documents and project files to ensure they are consistent with the modifications made in 2016. As a result of her work a modified application form, updated project agreements, technical corrections to previous resolutions and a new exhibit for project authorizing resolutions are recommend. These changes will result in greater clarity and consistency when reviewing, approving and delivering financial incentives to projects. Mr. Hall motions to approve Resolution IDA-18-12-33, seconded by Mr. LaBaff. The motion is approved by unanimous vote.

Resolution IDA-18-12-34: Project Authorization - AmTech Yarns: As part of the financing package, which includes a Sales and Use Tax Exemption previously approved by the IDA, the RVRDA and IDA-LDC also approved a lease-purchase agreement for the project with the expectation that the IDA would contemplate a PILOT Agreement for the Company. The company application, public hearing minutes and Cost-Benefit Analysis are discussed. The project is expected to create 9 jobs and will put a building that had been vacant on the tax roll through the course of the PILOT Agreement. Mr. LaBaff motions to approve Resolution IDA-18-12-34, seconded by Mr. Morrill. The motion is approved by unanimous vote.

Resolution IDA-18-12-35: Annual Review of Investment Policy and Authorization of Depositories: The policy is required as part of an annual review of internal documents. There being no changes to the policy, Mr. McMahon motions to approve Resolution IDA-18-12-35, seconded by Mr. LaBaff. The motion is approved by unanimous vote.

Resolution IDA-18-12-36: Amendments to Empire State Mines, LLC.: When the application was reviewed last year, the Company was uncertain as to how much Sales and Use Tax Exemption they may need for the project, since exemptions already fall under the standard tax-exempt structure for a production facility. The company was approved for a \$80,000 tax exemption and it was noted at that time that modifications may be required as the company moves forward with their \$36 million project. The company reported \$12,000 in tax exemptions for 2017 (in early 2018). After a thorough review of the company's restart plans and expenses, and an assessment of what exemptions are needed beyond the standard production exemption, it is recommended that the existing exemption approval amount be increased by \$20,000 by Therefore, a modification to the resolution approved last fall is required to bring the total allowable tax-exempt amount up to a level that is more accurate, based on the first-year start-up costs to the operation. Mr. Hall motions to approve Resolution IDA-18-12-36, seconded by Mr. Hooper. The motion is approved by unanimous vote.

EXECUTIVE SESSION: McMahon/LaBaff motion for Executive Session at 9:15 AM to discuss the financial history of a particular company. LaBaff/McMahon motion to return to Regular Session at 9:30 AM

ADJOURNMENT: A motion to adjourn is made by Mr. LaBaff, seconded by Mr. Hall. The meeting adjourns at 9:30 AM by unanimous vote.

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(Mr.) Lynn Blevins, Secretary