

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Meeting of March 26, 2019

CALL TO ORDER: Chairman Staples called the meeting to order at 8:40 AM at the IDA office, Ernest J. LaBaff Industrial Building, Canton.

ROLL CALL:

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

SLCIDA Chairman Mr. Staples announces there is a quorum.

Others: Staff (Patrick Kelly, Kimberly Gilbert, Richard Williams, Tom Plastino and Lori Sibley).

PUBLIC NOTICE: Public notifications sent March 18, 2019 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: John Fraser, Senior Project Manager for Community Preservation Partners, and Edmund Russell III, Esq. from the law firm Underberg and Kessler are both in attendance. Mr. Fraser informs the members of the board that the company is a for-profit housing development firm that acquires, preserves and enhances affordable housing. They are seeking assistance with a project focused on the Lawrence Avenue apartments in Potsdam. He notes there are currently 137 units in a building that was constructed in the 1980s. The apartments are HUD Section 8 housing for eligible for low-income tenants. According to HUD standards, the Company cannot charge rental fees more than 30% of the median income which is currently set at \$64,000/year. Due to a recent fire, the building is in desperate need of repair. Mr. Fraser adds that eight families are currently displaced. The bond allocation will allow the Company to acquire and enhance the apartments, providing a new roof, windows, siding, HVAC and possibly the placement of solar energy panels to offer higher-end efficiencies. The current staff will remain in their positions at the apartments. Mr. Fraser notes that they will do everything they can, within phases, to make the construction process in and around living quarters easy to manage. Tenants will have a minimum stay at a local hotel that will be paid for out of a robust relocation budget. Attorney Russell adds that IRS allows for tax exempt housing projects including affordable housing projects. Governor Cuomo is pushing to have more affordable housing available. Chairman Staples adds that this is an existing building, constructed of wood frame, over 40 years old. If the IDA proceeds with the process now, this will help the company move along with the rehabilitation efforts, particularly when there are families displaced. Mr. Fraser adds that the bond allocation request of up to \$18 million will allow his company to do more rehabilitation on the structure. The project is expected to cost \$23.5 million and a letter of intent has already been issued by KeyBank. Mr. Kelly advises the board that a letter to the New York State Department of Economic Development for allocation from the statewide bond reserve will need to be submitted. Mr. LaBaff suggests the company allow the contracts to go out to bid to allow local contractors the opportunity to do the work. Mr. Fraser indicates they have been speaking with a number of potential local subcontractors and will provide a list to the IDA.

APPROVAL OF MINUTES: Motion to accept the minutes of the February 21, 2019 meeting by Mr. LaBaff seconded by Mr. Hall. Motion carried unanimously.

FINANCIAL REPORTS: Motion to accept the December 2018 financial reports by Mr. LaBaff, seconded by Mr. Morrill. Motion carried unanimously. Mrs. Gilbert notes that the December financials are reflected in the audit.

COMMITTEE REPORTS: *Audit Committee:* Mr. Staples references an audit committee meeting held this morning with the audit firm of Pinto, Mucenski, Hooper, VanHouse, & Co. and adds that the audit was clean and complete with no exceptions. *Governance Committee:* In the absence of Mr. Blevins (Chairman of the Audit Committee), Mr. Hall reports that the committee met March 22nd and reviewed the policies contained in today's meeting packet.

STAFF REPORT: Patrick Kelly reports the following:

Alcoa: Governor Cuomo made an announcement at the Massena plant on March 21st that the New York Power Authority will renew their power contract with Alcoa, which was due to expire at the end of this month, for seven (7) years. Between Alcoa and Arconic, there are approximately 600 employees in Massena. Mr. LaBaff notes that he is pleased with the announcement and adds that the adjustment in the contract should help with market conditions.

Roundtable with Congresswoman Stefanik: Also on March 21st, a manufacturing roundtable was held at ACCO in Ogdensburg, moderated Mr. Kelly. Several manufacturing companies, including Hoosier Magnetics, ACCO Brands, Curran Renewable Energy, Potsdam Specialty Paper, Med-Eng, Arconic participated, as did IDA Board Members Blevins and Reagen.

Empire State Mines: Mr. Kelly reports that after last month's announcement of layoffs there are currently 87 workers employed at the facility, with 67 residing in St. Lawrence County. The salaries paid are in the \$70,000/per year range. Displaced workers have spoken publicly about the company not providing more advance notice to them regarding the layoffs. As has been covered in the press, this issue has been brought to the Department of Labor for review by the local state level elected officials. The company has told us that they believe they were within the boundaries of the law when they made their decision to cut back on the workforce. A discussion ensues regarding the value of the sales tax exemption provided and the economic impact of the mines reopening. Even with the lower workforce numbers, the facility is still a major employer and contributor to the local economy. Mr. Hall adds that the sales tax exemption allowed the company to purchase equipment for the mine restart and the resources will remain at the plant as the company continues its operations. Mr. Kelly will remain in steady contact with the mines and the board will continue to monitor the situation.

Corning, Inc. (Canton Plant): Last year the IDA approved a \$13 million project for the Canton Plant's expansion. In 2018, the IDA approved \$305,000 in Sales and Use Tax Exemptions for the company. Approximately \$205,000 was utilized and the remaining portion expired the end of 2018. The company has not yet completed their purchases for the expansion and has requested an extension of those project benefits to the end of July 2019. If approved, staff will file an updated Agency Compliance Agreement, Project Agreement, and Recapture Agreement and notify the NYS Tax and Finance Department that the project is amended. Corning is also seeking assistance for a new project in 2019. Last year the Company invested nearly \$14 million in a project and the project this year appears to be in the same range of investment. There are approximately 260 employees at the facility.

LC Drives: The Company has requested the IDA sponsor a National Grid application that will assist them in acquiring property for a 100,000 square foot spec building. We have reached out to National Grid and are initiating the application process.

NBRC Federal Grant Program: The IDA is applying to the NBRC, requesting \$800,000 to assist in the acquisition of \$1.2 million in equipment for North American Forest Group's new Ogdensburg facility. If approved, the IDA will lease the equipment back to NAFG on a low rate lease term. Mr. Staples mentions that this grant is specifically designed for the forest industry and will help Mr. Curran accelerate his plans for the start-up and functionality of the operation.

Newell Property Development: Brooks Washburn will complete the engineering plans and drawing bid docs in April for the former Newell Manufacturing facility.

J&L Rehabilitation Project: Received approval from the Development Authority of the North Country for the \$750,000 loan to the IDA to assist with cash flow during the second phase of the J&L project. Closing date will be scheduled soon. The IDA also received a check in the amount of \$211,000 from the National Grid Brownfield grants program has reimbursement for the latest phase of the project.

Website: We continue to move along with plans to modernize our website with assistance from the New York Power Authority (“NYPA”). Mr. Reagen states that as part of the relicensing agreement to improve the economy in St. Lawrence County, NYPA realizes the need to upgrade our electronic presence to those who are searching the web to learn about the advantages of doing business in St. Lawrence County. He states that companies look you up on the web and research your area before they contact you. This day and age, web presence is the first selling point and the IDA is a promotional platform for the County. With upgrades the County is expecting to do with their website, the timing is good, but he hopes something can be done to help each of the communities within the County to have a consistent means online for promoting the area. Mr. Hall mentions that the Town of Fine website averages 20,000 viewers a month. Mr. Kelly states that Attorney Silver is reviewing the agreement with NYPA for web-development services before we bring it forward for approval.

Expand to the US Workshop: The IDA is partnering with the US Embassy in Canada and the Ogdensburg Bridge and Port Authority to host a business information and recruitment event for Canadian companies on May 7th in Ogdensburg. Marketing efforts for the event are underway. Similar events were held in 2015 and 2017. Canexsys Networks attended the 2015 session as a prospect and set up their location in Ogdensburg in 2017.

Senate Investigations Committee: An article released in December 2018 by the Albany Bureau Chief states the incoming Chairman of the State Senate Investigations Committee is proposing several ideas for IDAs and promising more aggressive oversight of State government. This committee is in addition to the Authorities Budget Office and Office of the Comptroller. A number of IDAs have already been issued an information request by the NYS Investigations and Government Operations Committee.

PARIS Reporting: The New York State Authorities Budget Office and Office of the State Comptroller’s annual requirements for PARIS (Public Authorities Reporting Information System) has been met and entered online in the electronic database pending board review and approval.

St. Lawrence County Prisons: The St. Lawrence County Board of Legislators recently passed a resolution supporting all three prisons in the County in response to Governor Cuomo’s announcement that part of his upcoming budget may include the closure of up to three State correctional facilities. Mr. Kelly notes that some local municipalities have also passed resolutions in support of the prisons. Mr. Reagen adds that among other reasons, operating costs are much higher at other locations around the State. Mr. LaBaff encourages the board to take a position to support the prisons in an effort to keep the jobs in this area, adding these facilities provide excellent paying jobs and benefits to the local workforce and we need to keep every one of them and that recommends approval of our own resolution.

Adirondack Park Local Government Conference: Mr. Kelly and Mr. Hall will attend the conference on April 3rd in Lake Placid.

Economic Development Services Contract: The contract with the County is due to expire this year. A request by the IDA to extend the contract must be received by the County before July 1, 2019. Mr. Hall notes that as a member of the audit and finance committee, he strongly encourages the IDA to submit a request. At the request of Chairman Staples, he appoints Mr. Reagen to work with Mr. LaBaff and Mr. Hall to assemble a

proposal to bring to the County Board of Legislators for review. Mr. Reagen agrees to participate in the working group and states he will seek confirmation from the County Attorney that he is allowed to have a vote in the process as a County Legislator. Mr. LaBaff elaborates more on the need for the IDA to receive financing from the County, stating nobody comes close to creating jobs like the IDA and jobs are needed in order to create revenue for the County.

OLD BUSINESS: None

NEW BUSINESS:

Resolution IDA-19-03-05: Annual Review of Compensation, Reimbursement and Attendance Policy: Mr. Kelly notes that based on the report issued by Mr. Hall on behalf of the Governance Committee, the policy has been reviewed and minimal grammatical changes are recommended. Mr. Hall motions to approve the revised Compensation, Reimbursement and Attendance Policy Resolution IDA-19-03-05, seconded by Mr. LaBaff. The motion is approved by unanimous vote.

Resolution IDA-19-03-06: Annual Review of Whistleblower Policy and Procedures Mr. Kelly notes the Governance Committee has reviewed this policy and recommends no changes. Mr. Hall motions to approve Resolution IDA-19-03-06, seconded by Mr. LaBaff. The motion is approved by unanimous vote.

Resolution IDA-19-03-07: Annual Review of Defense and Indemnification Policy: Mr. Kelly notes the Governance Committee has reviewed this policy and recommends no changes. Mr. Hall motions to approve Resolution IDA-19-03-07, seconded by Mr. LaBaff. The motion is approved by unanimous vote.

Resolution IDA-19-03-08: Annual Review of Code of Ethics: Mr. Kelly notes the Governance Committee has reviewed the policy and recommends no changes. Mr. Hall motions to approve Resolution IDA-19-03-08, seconded by Mr. LaBaff. The motion is approved by unanimous vote.

Resolution IDA-19-03-09: Accepting FY2018 SLCIDA Audit: After providing a review of the audit by Pinto, Mucenski, Hooper, VanHouse, & Co., Mrs. Gilbert asks if there are any additional questions. With no further questions or comments, Mr. Hall motions to approve Resolution IDA-19-03-09, seconded by Mr. LaBaff. The motion is approved by unanimous vote.

Resolution IDA-19-03-10: 2019 Review of Disposition of Real Property Guidelines and 2018 Report of Property: Mr. Hall motions to approve Resolution IDA-19-03-10, seconded by Mr. LaBaff. The motion is approved by unanimous vote.

2018 Mission and Performance Report: Mr. Kelly reviews the 2018 Mission and Performance Report, which has been provided to the board, noting the report is sent annually to the Board of Legislators and is included in PARIS reporting to the Authorities Budget Office. Mr. Hall and Mr. LaBaff motion to accept the report. The motion is approved by unanimous vote.

Resolution IDA-19-03-11: Authorizing Modifications to the St. Lawrence County Industrial Development Agency FY2018 Budget: Mrs. Gilbert notes that interest income increased due to the U.S. Treasuries. She adds that this is an annual modification and reviews the changes that will enable the budget to be in line with expenditures. Mr. LaBaff motions to approve Resolution IDA-19-03-11, seconded by Mr. Morrill. The motion is approved by unanimous vote.

Resolution IDA-19-03-12: Authorizing the Initial Resolution for Community Preservation Partners for the Issuance of up to \$18 million in Multi-Family Housing Revenue Bonds: Community Preservation Partners has requested financing assistance through the issuance of tax-exempt bonds. The project will consist of the acquisition of approximately 10.5 acres of land in Potsdam with six residential buildings (known as Lawrence

Avenue Apartments) containing 137 affordable multifamily housing units, the renovation, equipping and modernization of the buildings and reconstruction of eight apartment units made uninhabitable by fire damage. A public hearing has been scheduled for April 23rd in Potsdam and a request for an additional bond allocation award will be submitted to New York State. Mr. LaBaff motions to accept Resolution IDA-19-03-12, seconded by Mr. Hall. The motion is approved by unanimous vote.

Resolution IDA-19-03-13: Accepting the Initial Resolution for Corning Property Management Company for the Corning, Inc. Canton Plant Expansion Project: Mr. Kelly mentions that as a result of the calculation of the benefited project amount, our fee this year would be significantly higher than the fee charged last year, even though the total capital expenditure for the two projects is roughly the same, and the company has asked us to charge the same fee as we did for last year's project. In a question posed by Chairman Staples, Mr. Kelly responds that the fee this year is higher because last year's investment included a higher amount of project work not benefited by the IDA assistance, for example environmental improvements not covered by a PILOT. The Company began this series of projects about five years ago and we have received a steady revenue from them throughout the years, in fact Corning projects represent about 40% of our total fee income over the past five years. The board determines that matching the fee from last year will help induce additional investments in the facility and is acceptable based on the significant number of projects we have been involved in with the Company in recent years. Mr. Hall motions to approve Resolution IDA-19-03-13, seconded by Mr. Morrill. The motion is approved by unanimous vote.

Resolution IDA-19-03-14: Amending Assistance to Corning Property Management Company: The project modification resolution amends IDA Project #4001-18-01 dated May 4, 2018 to extend Agency Status for a Sales and Use Tax Exemption through July 2019. This extension will allow the Company to utilize the unused portion of the Sales and Use Tax Exemption from the initial phase of the 2018 project from this point until the end of July. Mr. Hall motions to approve Resolution IDA-19-03-14, seconded by Mr. Morrill. The motion is approved by unanimous vote.

Resolution IDA-19-03-15: Support for the Continuation of the New York State Correctional Facilities in St. Lawrence County: As discussed earlier, the resolution is for continued support of all three NYS Correctional Facilities in the County to remain open. Mr. Reagen motions to approve Resolution IDA-19-03-15, seconded by Mr. LaBaff. The motion is approved by unanimous vote.

2018 Annual Report: Mr. Kelly reviews the Annual Report document, comparing job totals to projects, incentives and overall positive performance of the projects. Mr. Hall and Mr. LaBaff motion to accept the report. The motion is approved by unanimous vote. Mr. Kelly adds that with this board approval, the Annual Report, Investment Report and Procurement Report will be certified with the Authorities Budget Office prior to the March 31st deadline.

Mr. LaBaff applauds the ads sponsored by the SLCIDA that have broadcasted on WPDM radio during the Clarkson Hockey games and notes the message to listeners, especially in those areas outside of St. Lawrence County, is good for marketing the County.

ADJOURNMENT: A motion to adjourn is made by Mr. Reagen, seconded by Mr. LaBaff. The meeting adjourns at 9:58 AM by unanimous vote.

(Mr.) Lynn Blevins, Secretary