

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
LOCAL DEVELOPMENT CORPORATION
Meeting of December 11, 2019**

CALL TO ORDER: Vice Chairman LaBaff called the meeting to order at 9:20 AM at the IDA office, Ernest J. LaBaff Industrial Building, Canton.

ROLL CALL:

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

SLCIDA-LDC Vice Chairman LaBaff announces there is a quorum.

Others: IDA Staff (Patrick Kelly, Kimberly Gilbert, Richard Williams and Lori Sibley); IDA-LDC Staff (Thomas Plastino)

PUBLIC NOTICE: Public notifications sent December 6, 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: Honorable Larry Denesha from the St. Lawrence County Board of Legislators is in attendance.

APPROVAL OF MINUTES: Motion to accept the minutes of the October 31, 2019 meeting by Mr. Reagen seconded by Mr. Blevins. Motion carried unanimously.

FINANCIAL REPORTS: Motion to accept the October 2019 financial reports by Mr. Blevins, seconded by Mr. Morrill. Mrs. Gilbert highlights the various expenses that were paid in addition to the CDEIP issuances that were paid out. Motion carried unanimously.

COMMITTEE REPORTS: None

STAFF REPORT: Patrick Kelly reports the following:

Potsdam Specialty Paper Inc.: Mr. Kelly executed the re-subordination documents for the Potsdam Specialty Paper Inc.'s equipment loan as part of a refinancing arrangement the Company has with Key Bank.

Kingston Pharma: As part of the Company's transfer of ownership to Seaway Pharma, a request has been made to also transfer the existing loan and lease agreements into the new company's name. Seaway Pharma officials maintain that the management and the location of the facility in Massena will remain the same. Mr. Reagen/Mr. McMahon motion that Kingston Pharma's existing loan and lease agreements be transferred to Seaway Pharma and that the CEO is authorized to execute and deliver all documents relative to the transfer.

Lake Ontario River Resilience and Economic Development Initiative: NYS Empire State Development is administering a fund for business resilience improvements along the St. Lawrence River. Mr. Kelly suggests there may be a need to assist local businesses through our loan programs as they seek to take advantage of this program.

Hoosier Magnetics, Inc.: The Company recently paid off its loan. Mrs. Gilbert distributes a current loan summary sheet for all outstanding loans for the members to review.

Buildings: Roof repairs for the Lot 18 building in the Massena Industrial Park are complete. The building is currently occupied by AmTech Yarns.

NEW BUSINESS:

Resolution LDC-19-12-27: Authorizing Modifications to the Investment Policy and Authorization of Depositories: The policy is required as part of an annual review of internal documents. Within Section 6 of the Internal Controls, a request to omit the line referencing the time period specified by law to transfer funds collected to the CFO, as there is no specific law which describes this procedure. Mr. Blevins motions to approve Resolution LDC-19-12-27, seconded by Mr. McMahon. The motion is approved by unanimous vote.

EXECUTIVE SESSION: Reagen/Blevins motion for Executive Session at 9:29 AM to discuss the financial history of a particular company. McMahon/Morrill motion to return to Regular Session at 10:18 AM

LKR Enterprises: With the recent closure of the Star Lake Great American, Mr. Kelly reminds the board that the SLCIDA-LDC has a co-proportional first mortgage on the Star Lake store with the North County Economic Development Fund and the North Country Alliance. All lenders are owed in total about \$345,000. Mr. Kelly has discussed the matter with both Attorney Silver and the other lending entities and recommends that the SLCIDA-LDC offer a deed in lieu of foreclosure to LKR for the property. In return for LKR accepting the deed in lieu of foreclosure action, the SLCIDA-LDC and the other lenders would take the property and release LKR from the debt obligation and the owners from their personal guarantees. The SLCIDA-LDC could then be in position to market, sell or otherwise redevelop the property. The board discusses the various means of recapturing as much of the outstanding loans as possible and decides that having control of the property is the best path forward. If the company and its owners declare bankruptcy or are unable to properly care for the property, it would likely lead to a scenario where very little of the outstanding loans will be repaid. The other lending partners have indicated they will look to the SLCIDA-LDC, as the lead and most local lender, to take the lead in this process. Mr. Kelly explains that there has already been an initial purchase option offer made for the property.

A discussion ensues regarding the most appropriate entity for holding the property and it is determined that since the LDC can donate property to other not-for-profit corporations, it will approve placing the property into the St. Lawrence County Property Development Corporation (“PDC”), a related entity consisting of the same board members as the SLCIDA-LDC. As part of this transfer, the PDC will be asked to apply any proceeds from the sale or lease of the property toward the outstanding balance of the loans made to LKR Enterprises. Mr. Blevins/Mr. Morrill motions to authorize Mr. Kelly to proceed with the deed in lieu of foreclosure; to release the debt obligation of the borrowers in exchange for executing the deed in lieu of foreclosure; to transfer the property to the St. Lawrence County Property Development Corporation; and to negotiate, with Mr. Silver’s review and approval, a potential sale option for the property subject to the approval of the PDC. The motion is approved by unanimous vote.

OLD BUSINESS: None

ADJOURNMENT: A motion to adjourn is made by Mr. McMahon, seconded by Mr. Blevins. The meeting adjourns at 10:20 AM by unanimous vote.

(Mr.) Lynn Blevins, Secretary