

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Meeting of September 3, 2020

CALL TO ORDER: Chairman Staples called the meeting to order at 3:03 PM in the main conference room at the Ernest J. LaBaff Industrial Building, Canton.

ROLL CALL:

Blevins	Present	Reagen.....	Present
Hall.....	Present	Staples	Present
Morrill	Present	LaBaff.....	Present
McMahon	Present (via teleconference)	(via teleconference)	

SLCIDA Chairman Staples announces there is a quorum.

Others: IDA Staff (Patrick Kelly, Richard Williams, and Lori Sibley); IDA Attorney (Andrew Silver, Esq.)

PUBLIC NOTICE: Public notifications sent August 31, 2020 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: None

APPROVAL OF MINUTES: Motion to accept the minutes of the June 29, 2020 meeting by Mr. LaBaff seconded by Mr. Reagen. Motion carried unanimously.

FINANCIAL REPORTS: Motion to accept the April 2020, May 2020, June 2020, and July 2020 financial reports by Mr. Blevins, seconded by Mr. LaBaff. Mr. Kelly reports that the April highlights include project fees incurred from the Vecino (Clarkson Old Snell Hall) project and revenue received as part of the County contract; May includes solar project fees and revenue received as part of Parker Maple vacating the Canton building; June expenses include equipment purchased for the Canton building due to COVID-19 (electronic door locks, intercom system and outside drop box for payments received); and includes 3rd quarter administrative revenue received from the IDALDC/RVRDA and project revenue from the J&L project. Motion carried unanimously.

COMMITTEE REPORTS: None

REAPPOINTMENTS: The terms of both Brian Staples and Ernest LaBaff will expire in August 2020. Both have been reappointed by the County Board of Legislators for another 3-year term.

STAFF REPORT: Patrick Kelly reports the following:

St. Lawrence County Reopening Task Force: We continue to work with local officials to help get the word out regarding the 5 pillars of prevention and supporting local businesses. With partners, 250 “Please Keep SLC Open For Business” yard signs and 100 window signs were distributed to local colleges/universities, local businesses, and local developers to place throughout the county.

We have been running ads on radio and in print to provide businesses and residents with information and guidance that will help keep people safe and the local economy moving forward. The message is continuously changing in response to the evolving challenges and needs during the crisis. Mr. Kelly plays a radio ad currently on-air as an example of the messaging the IDA is promoting. He adds that businesses continue to struggle as a result of the pandemic. Mr. Kelly mentions that all advertising is done through local St. Lawrence County media operations.

Empire State Mines (former St. Lawrence Zinc): A recent check on global zinc prices show an increase, up to \$1.13. Mr. Kelly notes an accident at the mine was reported in the news today. We will continue to stay in contact in the company. He adds that a letter was received by Titan Mining, along with a bar of Zinc, as a token of their appreciation for the support the IDA has given them while they were coming to St. Lawrence County and through the recent pandemic.

Renewable Energy (Solar): Several conversations are developing with numerous potential solar projects around the county. The first PILOT request for a solar project will be brought forth later in the meeting.

Arconic: As plans move forward for the development of a business park on excess property in Massena, staff continue to work closely to complete the agreements with Arconic to initiate a comprehensive feasibility analysis for the concept.

Fuzehub: A recent article in Fuzehub, a manufacturing newsletter, highlights APC Paper for their administrative work using 100% recycled materials in-house. CITEC was mentioned for their work with APC Paper, a collaboration the IDA facilitated by referring the company to CITEC. There are on average 55 employees at the facility, which was at one time owned by the IDA after it had closed in the 1980s. Mr. Kelly provides a copy of the article to the board members.

Newell Building: Over the winter a small part of the roof collapsed from excess snow, covering approximately 1,000 square feet of former office space in the building. The City of Ogdensburg is working with its insurance firm and is in the process of getting bids to repair the roof. The IDA has received notice of a \$500,000 award from the Northern Border Regional Council and a \$200,000 award from the North Country Regional Economic Development Corporation (half grant and half loan) for rehabilitation work needed for the building. Mr. Staples asks about the terms of the awards and Mr. Kelly responds that the loan is a 1% interest rate for 20 years. We are also working with National Grid to seek assistance from their programs going forward. With the \$700,000 approved over the last month, the plan is to start the additional work on the building by the end of the year.

Marketing: The website development is in its final stages. Submersive Media was contracted by the New York Power Authority to provide not only the development of the site, but also maintenance and social media promotion for the site for a five-year period. Mr. Staples expresses appreciation to NYPA for the significant investment they provided to help support this project.

Impacts of COVID-19: According to the New York State Comptroller's Office, there have been 1.9 million jobs lost since March in New York State, with 550,000 of those jobs brought back. That is a net loss of nearly 1.4 million jobs. The New York State unemployment rate for July was 16%. St. Lawrence County lost 2,600 jobs from February to April, and 1,500 of those jobs were brought back, for a net loss of 1,100 jobs. The County's unemployment rate for March was 6.3% and the most recent figure shows an unemployment rate for the County at 12%.

Mr. Hall asks if any certain industries were lost as an impact of COVID-19. Mr. Kelly mentions that there is no one industry that was lost, but layoffs have occurred in small businesses, retail, health care industries and with Arconic, in addition to others. While we have not seen any large-scale facility close, we expect to feel the impact of this for quite some time. The longer this pandemic goes on, the greater the likelihood of larger scale layoffs as well as plant and institutional closures in the County.

NYSEDC: Mr. LaBaff congratulates Mr. Kelly for his recent appointment as the Executive Director for the New York State Economic Development Council. Mr. Kelly thanks Mr. LaBaff and he acknowledges the dedication of former IDA Directors that have served as members of the NYSEDC Board of Directors, noting the agency has been a long-standing and active member of the organization for many years. The SLCIDA

has a voice with the NYSEDC and Mr. Kelly hopes his role will help bring a North Country perspective to the discussions the organization has in Albany and throughout the State. Mr. Staples also compliments Mr. Kelly and adds that the NYSEDC is comprised of several different members from many organizations all around New York State (not just a regional initiative). Chairman Staples recognizes Mr. Kelly's recent appointment is a compliment to his leadership and a compliment to the SLCIDA.

OLD BUSINESS: None

NEW BUSINESS:

Resolution IDA-20-09-13: Accepting the FY2020 Tentative Budget: The draft budget will be available for review and comment over the course of the next 30 days until it receives formal approval at the next meeting. The tentative budget was developed by using a system we review historical expenditures and revenues, analyze the current year-to-date financial results, and utilize estimates when creating assumptions for the draft budget. There are no new position openings proposed for next year's budget. Mr. LaBaff motions to approve Resolution IDA-20-09-13, seconded by Mr. Hall. The motion is approved by unanimous vote.

Resolution IDA-20-09-14: Accepting an Application Submitted by In-Law Brewing, LLC with Respect to a Certain Project; Describing the Forms of Financial Assistance Being Contemplated; and the Adopting of Findings Pursuant to SEQRA: A review of the Cost Benefit Analysis is conducted, highlighting the potential for the company to go from a 7 barrel to 32 barrel operation. Assistance has been requested in the form of a Mortgage Recording Tax Exemption, PILOT Agreement and Sales and Use Tax Exemption. Mr. Kelly adds that the New York Power Authority also approved a funding award under the Northern New York Power Proceeds program that will support the building construction, the purchase of machinery and equipment, and other items related to a business expansion. Furthermore, the project also helps support the growing Ag and Wine Trail in the County. Mr. LaBaff motions to approve Resolution IDA-20-09-14, seconded by Mr. Reagen. The motion is approved by unanimous vote.

Attorney Andrew Silver enters the meeting at 3:25 PM.

Resolution IDA-20-09-15: Authorizing Financial Assistance to the Morristown Solar II, LLC Project in the Form of a PILOT, Sales and Use Tax Exemption, and the Adopting of Findings Pursuant to SEQRA: A public hearing was held on August 27th via Zoom to hear comments that are either in favor of or opposed to the project. Edmund J. Russell, III enters the meeting at 3:28 PM via teleconference, as the Attorney for Underberg and Kessler, LLP representing the SLCIDA for this project. Mr. Kelly mentions that job creation is not typically part of these projects. The IDA looks for other benefits the project will generate for the individual communities and the County. The NYSERDA solar tool kit was used as one data point for reviewing the project. Mr. Kelly adds that there is a priority in New York State to grow the renewable energy sector and highlights as an example that the New York Power Authority is moving forward with a full-scale battery storage facility in Chateaugay.

As part of its discussions with the local community, the project developer has offered to pay a \$5,000 payment to all three taxing jurisdictions. This is not a requirement within the PILOT but a gesture on behalf of the project developer that came out of their direct discussions with the Town of Morristown and Morristown Central School District. The value of the PILOT payments and well as the amount of sales tax exemption being provided is discussed as are concerns about establishing a precedent relative to the pricing of the PILOT payment amounts per megawatt. Attorney Russell explains that the SLCIDA will not be bound by precedent as each project is different and circumstances relating to projects can change over time. Mr. Kelly suggests it may make sense in the future to revisit the IDA's Unified Tax Exemption Policy ("UTEP") to see if there are any updates needed since it was created over 20 years ago. He adds that this project is a deviation as described in our current UTEP. There are several renewable energy projects in the discussion phase right now. Mr. Reagen adds that there are a lot of requests right now for projects involving renewable energy and

the IDA provides a level of expertise in dealing with these projects that a lot of towns and villages do not have. Mr. Hall asks about the life span of the solar panels. Richard Williams, Facilities Manager for the SLCIDA explains that the average life expectancy for these panels is 20-25 years, although most companies say they are good for up to 35 years. Mr. Morrill expresses concern over the potential for hazardous materials that can be left behind when the project is completed. Mr. Kelly responds that the SLCIDA's agreements, including project agreements, recapture agreements, and any decommissioning plans and funds will stay with the specific project location and any future owners of the project. Mr. Blevins motions to approve Resolution IDA-20-09-15, seconded by Mr. Hall. The motion is approved by unanimous vote.

EXECUTIVE SESSION: None

ADJOURNMENT: A motion to adjourn is made by Mr. LaBaff, seconded by Mr. Reagen. The meeting adjourns at 3:44 PM by unanimous vote.

(Mr.) Lynn Blevins, Secretary