



St. Lawrence County Environmental Management Council

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EMC Presentation to River Valley Redevelopment Agency – July 27, 2010

The St. Lawrence County Environmental Management Council, an advisory board to the St. Lawrence County Board of Legislators on environmental issues, welcomes this opportunity to address the RVRDA Board. The agreement with the New York Power Authority was a significant achievement and the result of much deliberation. Our purpose tonight is to explain how we believe the monies designated for environmental projects might best be used.

Background

On December 17, 2009 the EMC sent a memo to J. Patrick Turbett, Robert McNeil and Laura Perry in which we recommended a course of action that incorporates “ projects and programs intended to improve and protect the natural environment, and increase our understanding and appreciation thereof...” (quoting SLVEC letter to Eric Gustafson, Oct. 28, 2009) into the scope of future projects and programs of the RVRDA. Our comments in this document remain valid, although we recognize that the NYPA-RVRDA Agreement has altered circumstances. A copy of the EMC memo is attached to this document.

Current Situation

The language in the current agreement titled: “Agreement Regarding Funding of the St. Lawrence River Valley Redevelopment Agency” between NYPA and RVRDA states:

“The RVRDA Fund monies, including the interest earned thereon, shall be used exclusively for economic development in St. Lawrence County. The parties agree that such purposes include without limitation the making of loans or grants to businesses, payment of administrative expenses and fees of the Board and the Corporation relating to economic development in the County, *and use of up to 5% on an annual basis of the unrestricted cash assets in the RVRDA Fund as of January 1 of each year for community development and improvement projects including environmental-related projects (emphasis added)*, all as set forth in the Board-Corporation Agreement.”

EMC Recommendations:

1. Environmental projects should receive priority.

The EMC feels that environmental projects should receive a higher priority than community development for the "up to 5% funds on an annual basis". Community development is already covered under the existing Community Enhancement Fund that was established by NYPA under the Settlement Agreement for the St. Lawrence-FDR Power Project. In order to assign priority to environmental projects we recommend that each year there would be a window of opportunity from January 1 to March 31 during which environmental projects could be proposed. After the March 31 deadline no further environmental projects could be proposed for that calendar year. There would be an interval beginning April 1 to May 31 during which the RVRDA Board would evaluate these proposals and make awards. Then starting June 1 and running to August 31 the window of opportunity for community development projects would be open. After the August 31 deadline the RVRDA Board would have the period of September 1 to November 30 to evaluate these proposals and make awards, assuming sufficient funds from the 5% set-aside remain after the initial environmental project awards. This system would not preclude community development projects, but give them secondary priority.

2. Eligible Environmental Projects

The following projects should be eligible for funding:

Preservation of lands through the acquisition of easements

Habitat improvement projects not specified in the FERC license

Environmental best management practices demonstration projects

Local share of co-funded studies by USACOE

Establishment of an endowment to fund annual environmental conferences

Environmental projects not eligible under the Fisheries Enhancement, Mitigation and Research Fund (FEMRF) or the St. Lawrence River Research and Education Fund (SLRREF).

3. General Recommendations

The EMC makes the following recommendations pertaining to all projects funded by the RVRDA, whether they are for industrial development, community development or environmental benefit, and to the general operation and transparency of the agency:

④ Planning as Prerequisite -- Any project submitted to the RVRDA, should demonstrate that it is related to a public planning process. Such a process may either be carried out by the applicant or carried out by another group and referenced by the applicant. In either case, there should be a plan document cited to support the application. Taking this approach ensures that a project has received the benefit of planning but does not place the onus for that planning on the RVRDA.

④ Review Assistance – The RVRDA might want to consider convening a supplemental environmental projects review committee comprised of representatives selected from the St. Lawrence County Environmental Management Council and other environmental organizations. This would augment the expertise of the RVRDA board members with people who are likely to have a familiarity with many environmental issues.

④ Public Process -- The rules for submitting proposals to the RVRDA, the method for reviewing and selecting fundable proposals and the composition of the decision-making body should all be issued for public comment prior to ratification by the RVRDA Board. The RVRDA should maintain or contract for a web site in which agreements, by-laws, meeting notices and minutes, project submission and selection guidelines and financial statements appear.

ATTACHMENT



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MEMORANDUM

To: J. Patrick Turbett, Robert McNeil, Laura Perry
Jon Montan
From: Jon Montan
Date: Thursday, Dec. 17, 2009
Re: *River Valley Redevelopment Agency and Environmental Management Council recommendations*

Laura Perry contacted me and requested that I work with the EMC to recommend a course of action that incorporates “ projects and programs intended to improve and protect the natural environment, and increase our understanding and appreciation thereof....” (quoting SLVEC letter to Eric Gustafson, Oct. 28, 2009) into the scope of future projects and programs of the RVRDA.

I have met with selected EMC members and am now ready, along with EMC Chairman David Katz, to meet with you at a time of mutual convenience.

This memo sets forth some recommendations that we believe will accomplish the above objective while at the same time not slow the progress toward a timely agreement with NYPA.

We recognize that NYPA has, through the relicensing process, agreed to fund a variety of environmental initiatives: FEMRF, SLRREF and habitat improvement projects. In addition, approximately \$ 26 million was set aside for the former “Aquarium.” The original aquarium project was designed to combine environmental stewardship, educational opportunities, and sustainable economic development that increases sustainable employment. Of those funds, \$10 million (38%) has been assigned to Seaway Private Equity Corp. whose purpose is to assist with the commercialization of new products and services in the areas of renewable energy and environmental technologies in St. Lawrence County.

The remaining money and power “in play” is something over \$16 million on deposit and 20 MW of Preference Power. We have no particular comment on the use of 20 MW of Preference

Power to secure future economic development within the region. To the extent that initially, the RVRDA would capitalize this Preference Power, we would recommend that those funds be utilized without limitation to fund enterprise development consistent with those goals of the RVRDA. These goals are deemed to be (from the draft by-laws under I. Governance, III Objective): "...to improve the economic development conditions within the region ...,to identify desirable businesses which will facilitate growth in the region...., and invest in infrastructure directly related to the growth of business."

With regard to the \$16 million, our preference would be to see the following:

The full \$16 million+ principal would be deposited in bank &/or investment accounts essentially as an endowment, the income from which would be used to fund projects under different categories including, but not limited to: property acquisition and development, project incentives, community development, business expansion and environmental protection¹. We would like to see the RVRDA promote all 3 of the original NYPA goals for the aquarium funding (environmental stewardship, educational opportunities, and sustainable economic development) in its RFPs and other publicity materials, and we would like to see the RVRDA seek a more-or-less equal balance among the three goals in making its funding decisions, particularly in any funding round when requests exceed available funds.

Specifically, we would like to see a minimum of 10% of the annual income earmarked for environmental protection projects. In years when funded environmental protection projects add up to less than 10%, the balance of the 10% would not be earmarked. Examples of eligible environmental projects would be: land preservation through the acquisition of easements, habitat improvement projects not specified in the FERC license and environmental best management practices demonstration projects

Projects would be submitted to the Board of the River Valley Redevelopment Agency once or twice a year, evaluated and, at the Board's discretion, funded. Eligible applicants would include municipalities and their designated agents, not-for-profit community development organizations, incorporated land trusts and local development corporations. Projects –and this is important – would have to substantively relate to a public planning process (i.e., a planning process that incorporates public hearings and comments from the public) that has been undertaken by an applicant prior to submission of a proposal. No pre-planning, no eligibility.

We do not feel that any particular business sector (e.g., farms) should be excluded from consideration *a priori*. We feel that any proposal that supports one or more of the three goals mentioned above should be eligible.

Using this approach, we feel that the parties can sign an agreement with NYPA in the near future, get the RVRDA up and running, avoid what may be perceived to be a massive, time-consuming planning process, yet integrally incorporate all-important planning into the process.

To insure the broadest public representation possible, and because some proposals will come

¹ Note: Some of these categories are taken from the May 2007 SLRRDA Economic Development Proposal draft.

from the very municipalities that comprise the RVRDA, which could cause problems with conflicts-of-interest, we support expanding the representation of the RVRDA Board in a manner such as the one suggested by Mr. Grover in the aforementioned Oct. 28 letter.

One benefit of creating an "endowment" and spending the income only on pre-planned projects is that it is conservative and affords the RVRDA the latitude to pursue both economic development (its primary goal) while at the same time promoting and advancing environmentally beneficial projects that reflect and incorporate some level of local planning goals. If at any time in the future, the 20 MW of power is fully allocated without revenue being derived to the RVRDA, the \$ 16,000,000 "endowment" would essentially remain intact and use of such funds – as may be appropriate or necessary to achieve other goals of the RVRDA - can be revisited and reprioritized.

We welcome the opportunity to discuss this matter with you at your earliest convenience.