

St. Lawrence River Valley Redevelopment Agency
Minutes of March 20, 2012 Meeting ~ Town of Louisville Municipal Offices, Massena NY

Call to Order: The meeting was called to order at 6:13 PM by Chairman McNeil.

Roll Call/Determination of Quorum: Mssrs. Mc'Neil, Burns, and Strait attend. NYPA's Michael Huvane joins the meeting via conference call, while NYPA's Karen White is also in attendance. The quorum is recognized.

Public Notice: Public notifications were sent March 9, 2012 to, at a minimum: St. Lawrence County's newspapers designated for the publication of local laws and other matters required by law to be published. Notification also sent to other local media sources and websites.

Approval of Minutes: Strait/Burns motion to accept the February 21, 2012 regular meeting minutes as corrected is accepted unanimously.

Financial Report: Mrs. Gilbert reviews the January 2012 financials. Burns/Strait motion to accept the financials as presented is accepted unanimously.

Committee Reports: None

Old Business: Power Contract: Attorney Gustafson reports on the proposed power contract between NYPA and MED. In the contract, he notes the proposed 20 megawatts was given as a preference power rate. Additionally, he notes the power allocations would need to be supported by the St. Lawrence County Industrial Development Agency (IDA) and St. Lawrence River Valley Redevelopment Agency (RVRDA) before they are forwarded to the MED for approval. Attorney Gustafson also points out two differences in the proposed contract that were not part of the original agreement. The first is the Regional Economic Development Council's role and the second requires sub-allocations to be approved by the NYPA Board of Directors (which was in-part an initial concern of then-Governor Paterson in the original proposal which he denied).

Attorney Gustafson emphasizes the Regional Council's role as one that does not include veto power. In response to a question regarding monetization, Mr. Gustafson notes that this is not the document which outlines monetization. He notes the members will have to work with local legislative authorities to push through the monetization legislation and agreement separately. This proposed document outlines the allocation of power only. Mr. Gustafson notes the next meeting of the NYPA Board of Directors is scheduled for March 27th. At that meeting, he anticipates NYPA will review the proposed contract and start the public hearing process where NYPA will solicit public input on the contract. Mr. Huvane adds that the information from the public hearing will then be sent to the Governor for review. In response to Mr. Burns' question on where the NYPA hearing will be held, Mr. Huvane responds that it will most likely be in Massena.

Mr. Strait moves that the NYPA board of directors move forward with the public hearing process, that Massena Electric Department move forward with the contract, and for the RVRDA to move forward in working with State Legislators to obtain legislation for monetization of power. Mr. Burns seconds the motion. Attorney Gustafson adds that he will complete the wording of the legislative bill that will be proposed to the legislators for their approval. Mr. Burns asks for clarification of the Regional Council's advisory role. Attorney Gustafson notes that the allocations will be reviewed by the Regional Development Council. Ultimately, he adds, their vote is nonbinding but something NYPA ~~the Governor~~ will review before approving allocation of power. As a follow up to Mr. Burns' inquiry into the Regional

Council's role, he asks if the Council is aware of their responsibilities. Mr. Kelly presumes that though they may not have been part of the initial discussions, they may anticipate having a role. Mr. Burns then inquires about the necessity of sub-allocations being approved by the NYPA board. Attorney Gustafson notes that this approval was not contemplated in the initial discussions about the process, but was viewed as being necessary by the Governor. The motion is approved unanimously.

Mr. McNeil asks if another meeting with State legislators should be scheduled at this time. Mr. McMahon advises the members to wait until the process gets started.

New Business: Resolution: Burns/Strait motion to accept the 2011 audit, accepted unanimously.

Staff Report: Code of Ethics: Mr. Kelly notes members are in receipt of the revised Code of Ethics and thus advises them to review the policy as part of an annual review.

2012 Community Development and Environmental Improvement Program: Mr. Kelly informs the group there were 41 applications submitted by various companies/organizations seeking approximately \$2.9 million in funding. The staff has completed the initial review process and encourages members to make arrangements with the SLCIDA office to begin reviewing the applications. In 2011, Mr. Kelly notes there were 27 applications seeking approximately \$5 million in funding. With a greater number of applications to review this year, he anticipates this will once again be a competitive and involved process. At this time, approximately \$171,000 has been disbursed with approximately \$600,000 left to distribute from 2011 funds that are still in reserve as projects are still in various stages of development. Mr. Kelly notes that some companies/organizations are very close to having funds disbursed to them. Mr. Kelly responds to Mr. Burns question and states there was less money requested per application this year. Mr. McNeil asks if the members will be ready to take action on the Community Development and Environmental Improvement applications at the next meeting. Mr. Strait confirms, stating a timeline for the approval process was agreed upon in earlier discussions.

National Grid has given the marketing proposal approval. Mr. Kelly states he is now waiting formal documentation from National Grid. In the meantime, marketing for this year has begun.

A Free Trade Zone (FTZ) Seminar will be held in Massena and Gouverneur on April 3, 2012. Businesses will learn benefits from the Foreign Trade Zone and how they can save duty on imported products. This seminar is being sponsored by the IDA, the Ogdensburg Bridge and Port Authority and CITEC Business Solutions. Mr. Kelly announces RenewSLC.org, which is sponsored by the IDA, will be hosting an energy seminar on April 17th.

Mr. Kelly references the approved \$100,000 allocation to the St. Lawrence County Local Development (SLCLDC) microenterprise fund and mentions an agreement is being formalized. He asks the members if they would like the principal from the loans to come back to the RVRDA or keep the principal with the SLCLDC to continue lending out. The consensus is that the interest should come back to the RVRDA as revenue and that the principal will remain with the SLCLDC for future loans.

Mr. Kelly announces the St. Lawrence County Industrial Development Agency recently hired Tom Plastino as the Agency's Deputy Chief Executive Officer/Chief Financial Officer to begin on April 2, 2012. Mr. Burns congratulates Mr. Plastino and asks how this will affect the marketing arrangement between Mr. Plastino and the RVRDA/IDALDC. Mr. Kelly clarifies that the agreement is between CITEC and the IDALDC and that Mr. Plastino is the representative chosen by CITEC to work with the IDALDC. Mr. Kelly notes that Mr. Plastino will continue to assist the RVRDA in an IDA staff capacity, with the assistance of another employee from CITEC appointed to resume Mr. Plastino's work (Rob

Orum). Mr. Plastino adds to the conversation by emphasizing that working with Mr. Orum will strengthen the Canadian marketing efforts.

Lots 18 & 19 (Massena Industrial Park): Mr. Burns asks about the status of Lot 18. The first prospect that expressed interest in use of the building noted they would not be ready for further discussions until after first quarter of this year and we continue to promote the building in our marketing activities.

Public Comment:

Mr. Strait acknowledges Ms. Janet Otto-Cassada, Mayor of Waddington, is in attendance and curious to know the status of the NYPA agreement. Mr. Strait offers to speak to the Town and Village of Waddington regarding the proposed power agreement.

Executive Session:

Burns/Strait motion for Execution Session at 6:32 PM to discuss financial matters of a particular company.

The RVRDA returns to regular session at 7:08 PM, upon the motion by Strait/Burns.

Resolution: A motion made by Strait/Burns authorizing amended lease agreement with Composite Systems & Technologies, LLC is approved unanimously.

Resolution: A motion made by Burns/Strait amending a loan of \$825,000 to Slic Network Solutions, Inc. is approved unanimously.

The meeting is adjourned at 7:16 PM, upon the motion of Burns/Strait.

Note: The next regularly scheduled meeting of the St. Lawrence River Valley Redevelopment Agency will be held at 6:00PM on Tuesday, April 17, 2012 at the Town of Louisville Municipal Offices.
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