

St. Lawrence River Valley Redevelopment Agency
Minutes of December 18, 2012 Meeting ~ Town of Louisville Municipal Offices, Massena NY

Call to Order: The meeting was called to order at 6:05 PM by Chairman McNeil.

Roll Call/Determination of Quorum: Msrs. McNeil, Murphy, Burns and Strait attend. Mr. Carroll joins the meeting at a later time. NYPA Representative 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 December 7, 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.

Presentations: None. At the recommendation of Mr. Strait, the group observes a moment of silence out of respect for the young children and educators who lost their lives last week in the Connecticut school shooting.

Approval of Minutes: Burns/Murphy motion to accept the November 13, 2012 regular meeting minutes. The minutes are accepted unanimously.

Financial Report: Tom Plastino, Chief Financial Officer for the St. Lawrence County Industrial Development Agency presents the October 2012 financial report. Strait/Burns motion to accept the October 2012 financials. The report is accepted unanimously.

Committee Reports: None

Old Business: None

New Business: None

Staff Report:

2012 Community Development & Environmental Improvement Program ("CDEIP"): Mr. Kelly reports that 8 of the 12 awards have been fully funded, while the other 4 grantees have requested an extension to their grant agreement. Mr. Kelly proposes the group consider a 6 month extension for projects to be completed.

2011 CDEIP: Mr. Kelly reports that 6 of the 9 grants awarded are funded. Although the remaining 3 have requested extensions due to unforeseen circumstances, each is making progress.

Mr. Strait motions to grant a 6 month extension to those companies requesting additional time to complete their projects. Mr. Burns seconds the motion. The extensions are accepted unanimously.

The 2013 RVRDA meeting schedule is approved, continuing with the 3rd Tuesday of the month.

Nominating Committee Assignments: Chairman McNeil appoints Mr. Carroll and Mr. Strait to serve as committee members and asks that they have board recommendations ready for the next meeting.

Resolution: Authorizing Adjustments to the RVRDA 2012 Budget. Burns/Carroll motion to accept. The resolution is accepted unanimously. Mr. Plastino reviews adjustments to the 2012 Budget, citing end of year adjustments as standard practice due to unforeseen events. Discussion ensues around the carry over of certain expenses appropriated on two separate occasions. Mr. Plastino references conversations with a representative of PMHV and Co., the accounting firm appointed by the IDA-LDC, advising the RVRDA follow this protocol. Mr. McNeil requests feedback from Mr. Plastino once he receives the recommendations of the audit team in January, upon completion of the 2012 audit. Mr. McNeil notes this request will serve as a means of ensuring the ongoing consistency within the financial statements.

Mr. Carroll enters the meeting at 6:19 PM

In detail, Mr. Kelly reviews the end of the year summary of activities involving economic development progress directly related to both the efforts of the RVRDA and IDA. Highlights include the Ansen Corporation Line of Credit, the leasing of 9,000 sf within the Lot 19 Building to Fockler Industries, LLC, the funding assistance provided for the construction of the first Canton Industrial Park building, the restructuring of our loans with Slic Network Solutions, the Community Development and Environmental Improvement Program, our ongoing marketing efforts and the securing of a power contract between the Power Authority and the Massena Electric Department.

Mr. Kelly distributes a piece from the NNY Special Report section located in the Ottawa Business Journal which demonstrates just one of the many efforts aimed toward marketing Canadian businesses.

Mr. Strait asks for a clearer definition of the term “pipeline” of prospects. Mr. Kelly notes that the “pipeline” consists of the firms we are in touch with which have expressed an interest in obtaining information for locating their business to the U.S. Mr. Kelly predicts there are a little fewer than 100 contacts in the pipeline right now. Of that, approximately 45 or so were generated this year. Of the over 40 Canadian companies that were visited, approximately 10 have come back to talk to us. This number does not include those companies that attended the recent cross-border events held in October. Mr. Strait questions the timeframe for continuation of marketing efforts in Canada if the efforts do not yield more positive results. Mr. Huvane responds, stating marketing efforts are a process, in other words, long-term prospecting. Nothing happens instantaneously. Mr. Kelly adds that the procedures for marketing are evolving each year. Mr. Strait asks if it is time to look more south of the state instead of across the border. Mr. Kelly references the piracy regulations not to take prospects from other portions of the state. Mr. Kelly cross references the staff’s marketing efforts in comparison to those in Plattsburgh, which is the closest comparison to what we do, and there appears to be similarities and consistencies between the two county’s marketing efforts. Mr. Kelly cites certain challenges including distance from major cities and infrastructure as issues of contention. What makes us unique he says is the close proximity to the Canadian border. He adds that staff marketed to other areas outside of New York State – for example, New England and that we participate in the Drum Country Business initiative with Fort Drum, the Development Authority of the North Country, and Jefferson and Lewis Counties to market the region outside of our Canadian efforts.

Mr. McNeil asks if there have been any requests for power allocation. Mr. Kelly responds that there have been some initial inquiries, but no formal requests. One business looking at the area recently requested a comparison of power rates. The Chairman also asks if there have been any requests for power from the North Country Economic Development Council. Mr. Kelly says no, that Empire State Development has contacted IDA staff if there is a lead where power is of interest. For example, a Data Center Company was looking for information, so we were contacted.

Mr. Kelly notes that tomorrow, (December 19th), will be the announcement of awards of the Regional Economic Development Council and that the SLC IDA and RVRDA offices will be in the new building located at 19 Commerce Lane beginning January 1, 2013.

Mr. Burns inquires about the status of Building 18 & 19. Mr. Kelly notes that there have been a couple of recent showings of the facilities and we continue to highlight them in our marketing activities.

2013 CDEIP: Mr. Kelly reminds the members of his request last meeting to submit suggestions for the 2013 CDEIP process. Mr. Carroll suggests that not all of the 5% of available funding be allocated for the 2013 award process due to the fact that there are no proceeds derived from the power contract at this time.

2013 CDEIP Application Suggestions: Mr. Plastino lists some of the areas of concern that staff received when talking with applicants and other people who do similar projects ...

- Point Allocation – how do we arrive at the point allocation? Does everyone use the same point system?
- The Agency does not publish a timeline and stick to it.
- Page 2 of last year's RFP lists 7-8 general policy directions for the program that will be given priority when applications are reviewed. Applicants want to know if members seriously consider each of these requirements.
- Make clear that comprehensive reports of money spent and matching money spent are required before reimbursements will be made.
- In-kind awards. How will this match be calculated?
- Should emergency projects be given priority? Should they have a minimum match (some of it cash)? These are urgent need projects, not self-inflicted emergencies. Should issues that need fixing right away be rated higher?
- Clear prohibition of funding projects that ask for funds for routine operations or project management.
- Do letters of support really make a difference? If not, why include as part of the application?

Mr. Kelly suggests that Mr. Strait and Mr. Murphy, the RVRDA subcommittee, interact with the IDA sub-committee and discuss if any of these suggestions should be implemented into the 2013 CDEIP application process.

Mr. McNeil suggests beginning the application process around January 15th, with an application due date of March 15th. The goal will be to decide by May 15th which projects will be granted an award and announce the awards in May in order to allow project completion by the end of 2013. Mr. McNeil notes that the general consensus when reviewing applications should be to place the greatest value on projects that demonstrate job creation. Mr. Carroll states that he would have no problem withdrawing the application process this year. Mr. Strait disagrees and feels it is important to give the money back to the communities as it is not doing any good where it is now with interest rates at an all time low. Mr. Murphy also feels awarding money is important as it will create some jobs at the very least. Mr. McMahan notes that a 5% threshold is simply a threshold – not an annual target. The awards have done goodwill and are worth doing. Mr. Kelly adds that this program is not like any other out there. Some allocations have demonstrated a positive economic impact. With two years of the program behind us, Mr. Kelly feels the program has been very productive with value and added benefit for the area but may have room for improvements. Additionally, Mr. McNeil suggests another joint IDA and RVRDA meeting should be scheduled soon.

Mr. Murphy suggests inviting Clarkson University's 3D Printing & Computer Design people to come in and speak with the members to see how the RVRDA could fit into some of their projects. Mr. McNeil agrees and suggests the group arrange a presentation at the February meeting.

Mr. McMahan notes a recent rate comparison with Quebec Hydro proved this area stacks up well. He mentions another bill comparison will be done with New England to see where our area fits in. Although State and National averages have been given, he suggests we research further. Mr. McMahan feels the group needs to be prepared to better debate questions that will be presented regarding power rate comparisons. Mr. McNeil notes that Mississauga has a group that meets with Rochester people comparing tax rates. He feels Mr. McMahan's approach is a good idea.

Public Comment:

Mark Dzwonczyk:

- Nicholville Telephone and SLIC Network Solutions continue to make positive gains in terms of financial performance.
- Mr. Dzwonczyk mentions his recent appointment to the Clarkson University Board of Trustees. He is the closest trustee to the college in this area. He was asked to assist with tracking economic development, entrepreneurs and innovation in the area. He feels his experience with initiating company start-ups and working through the process of building companies to be profitable could be helpful to the RVRDA and he offers his assistance to the group. Mr. McNeil asks Mr. Dzwonczyk for assistance with arranging a discussion with the Clarkson University 3D Printing & Computer Design folks. Mr. Dzwonczyk agrees and adds that there are a lot of really great things going on at Clarkson University right now.

Executive Session: Carroll/Burns motion for Execution Session at 7:43 PM to discuss the financial history of a particular company.

Return to regular session at 8:05 PM, upon the motion by Burns/Murphy. The meeting is adjourned at 8:05 PM, upon the motion of Burns/Murphy.

Note: The next regularly scheduled meeting of the St. Lawrence River Valley Redevelopment Agency will be held at 6:00PM on Tuesday, January 15 th , 2013 at the Town of Louisville Municipal Offices. This will be the board's annual meeting.
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