

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

AGENDA

-Agenda Subject to Change-

**August 20, 2013 at 6:00 PM
Town of Louisville Municipal Building**

Call to Order	
Roll Call and Determination of Quorum	
Public Notice	<ul style="list-style-type: none"> ▪ August 9, 2013
Presentations	
Approval of Minutes	<ul style="list-style-type: none"> ▪ July 16, 2013 1-3
Financial Reports	<ul style="list-style-type: none"> ▪ July 2013..... 4-6
Committee Reports	
Old Business	
New Business	<ul style="list-style-type: none"> ▪ Resolution: “Authorizing Chairman to Sign ‘Agreement Between the Massena Electric Department and the St. Lawrence River Valley Redevelopment Agency’” 7-10 ▪ Resolution: “Authorizing a Loan of \$51,500 to First Class Aire, LLC” 11
Staff Report	
Public Comment	
Executive Session	
Adjournment	

St. Lawrence River Valley Redevelopment Agency
Minutes of July 16, 2013 Meeting ~ Town of Louisville Municipal Offices, Massena NY

Call to Order: The meeting was called to order at 6:02 PM by Chairman McNeil.

Roll Call/Determination of Quorum: Mssrs. McNeil, Murphy, Strait, Burns, Huvane and Carroll attend. The quorum is recognized.

Public Notice: Public notifications were sent July 9, 2013 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/Murphy motion to accept the June 18, 2013 regular meeting minutes. The minutes are accepted unanimously.

Financial Report: Tom Plastino, Chief Financial Officer and Deputy Chief Executive Officer of the St. Lawrence County Industrial Development Agency, reports on the June 2013 Financials. He says that June was uneventful – with no expenses and unblemished revenues. Murphy/Burns motion to accept the June 2013 financial report. The report is accepted unanimously.

Committee Reports: None

Presentations: Mr. McMahon makes a short powerpoint presentation on comparative power rates at seven mid-Atlantic utilities. Reports that MED's rates (equivalent to what the cost of the 20 meg power might be) are at about 4 cents/kWh, while the lowest among the 7 utilities runs from 9 cents to 10.5 cents/kWh, depending on load factor. Suggests overlaying these rate differentials with water to help identify prime marketing target sectors. Mentions that NJ utilities are doing some interesting things in structuring their power rates that deserve more study.

Old Business:

Monetization: Following up on the letter he sent to Senators Griffo and Ritchie and Assemblywoman Russell on July 5, 2013, Mr. McNeil invited Assemblywoman Russell to discuss the next steps to be taken in the State legislature to secure monetization of the unallocated 20 megawatts of electric power contracted to the RVRDA in the June, 2010 agreement and the recent NYPA/MED power contract. A long discussion follows. Assemblywoman Russell distributes a copy of draft legislation that the Governor would approve. She draws attention to points in it that she doesn't agree with. She especially would like to see most of the members on the Northern New York Power Allocation Board (created by the bill) to be resident in the river communities. Questions the 15% environmental set-aside. Suggests that the Governor is interested in using monetized revenue for major infrastructure projects. She also notes that the other uses of the monetized revenues described in the bill might need careful attention. Her main point is that this bill should be the starting point for negotiations and that the Governor is unlikely to move very far from its major provisions. Suggests that it might be possible to get all five members on the Board to reside in SLC.

McNeil and others several times insist that all the RVRDA and the communities want is legislation that will implement the monetization provisions of the June, 2010 contract. Assemblywoman Russell contends that the Governor's office says that the June, 2010 contract required the OK of the Governor and that without that the monetization process will not occur.

There is some discussion of whether the legislation should include preservation power. Consensus is that the discussion should focus on the 20 megawatts.

Participants make recurrent reference to western New York's legislation and how it makes provision for the monetized value of about 49 megawatts of power to bypass the western NY power allocation board.

Assemblywoman Russell's recommendation is that the RVRDA sit down with the Governor's office and seek to make acceptable amendments to the bill she delivered. She reminds everyone that to become law all both houses of the legislature **and** the Governor must agree.

Assemblywoman Russell says that there are three options: (1) do nothing with the 20 megawatts and have the revenue from selling it stay with NYPA and be swept into the general fund; (2) work feverishly to allocate the power; and (3) sit down with the Governor and negotiate.

Assemblywoman Russell was not optimistic about a suggestion that at least one RVRDA member be on the power allocation board.

Assemblywoman Russell asked why the Governor doesn't want the RVRDA to oversee the use of the monetized power. She says that (1) there is a conflict of interest – the RVRDA is responsible both for allocating the power and the monetized revenues – and (2) there's already a lot of money available for economic development in SLC, i.e., the \$16 million given to the RVRDA in June, 2010 and the recent \$10 million from Alcoa (though the latter can be used beyond SLC).

Assemblywoman Russell is unsure whether the legislature will come into special session before 2014 and, even if it does, it is unlikely that monetization legislation could be put on the agenda (unless the Governor wanted it to be there).

McNeil asks Gustafson to review the draft bill and prepare comments and suggested revisions.

Huvane describes how the appointment process and the award process have worked in western New York (smoothly).

Business Development Corporation for a Greater Massena: Mr. Gustafson introduces Mr. Tom Sullivan, the recently-hired executive director of the BDC. Sullivan briefly describes his educational and business background.

Staff Report: Mr. Kelly reports that the NYS is planning to relocate six wards from the Ogdensburg Psychiatric Center to thruway communities. Up to about 520 local jobs are at stake. St. Lawrence Psychiatric Center Task Force is attempting to get the State to reconsider and designate Ogdensburg as a center of excellence.

Staff is engaged in discussions with the five local colleges about the StartUp New York program. Hoping to coordinate RVRDA and other development resources with the new program.

Kelly invites RVRDA members to North Country Pastured ribbon cutting on July 18. RVRDA had awarded a \$50,000 CD/EI grant to NCP.

Public Comment:

Mark Dzwonzyk, President and CEO of Nicholville Telephone Company:

- Launching IP TV now live in some of NTC's territory
- Slic is developing partnerships with other North Country phone companies for the sharing of services
- Thanks RVRDA for assistance in providing assistance to these projects.

Executive Session: Carroll/Murphy motion for Execution Session at 7:16 PM to discuss business financials of a particular company.

Return to regular session at 7:42 PM, upon the motion by Strait/Carroll.

The meeting is adjourned at 7:42 PM, upon the motion of Murphy/Burns.

Note: The next regularly scheduled meeting of the St. Lawrence River Valley Redevelopment Agency will be held at **6:00PM** on Tuesday, August 20, 2013 at the Town of Louisville Municipal Offices.

DRAFT

St. Lawrence County IDALDC Consolidated Balance Sheet

July 2013

	RVRA
ASSETS	
Current Assets	
202 · Cash - RVRA	
202A · Cash-RVRA-NBT Cking	185,482.56
202B · Cash-RVRA-NBT MM	1.00
202C · Cash - RVRA - Key	5,031,290.33
202D · Cash-RVRA-First Niagara	6,886,893.28
Total 202 · Cash - RVRA	12,103,667.17
Fixed Assets	
100 · Massena Lot 18 (MIB18)RVRDA	
100A · MIB 18- Building -RVRDA	359,800.00
100B · MIB 18 - Bldg Deprec -RVRDA	-8,395.33
Total 100 · Massena Lot 18 (MIB18)RVRDA	351,404.67
101 · Massena Lot 19 (MIB19) RVRDA	
101A · MIB 19 - Building - RVRDA	337,762.50
101B · MIB 19- Bldg Deprec - RVRDA	-7,938.00
Total 101 · Massena Lot 19 (MIB19) RVRDA	329,824.50
Total Fixed Assets	681,229.17
Other Assets	
252 · Accrued A/R NG Marketing	41,325.00
Note Receivable - RVRA	
485R · NR - North Country Dairy-RVRA	278,964.48
486 · NR - SLIC -RVRA	368,472.93
487 · NR - Struc Wood - RVRA	129,787.91
489 · NR - Nicholville Tele Co	335,086.55
Total Note Receivable - RVRA	1,112,311.87
Total Other Assets	1,153,636.87
TOTAL ASSETS	1,834,866.04
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
524 · Due to SLCIDA	2,867.24
Total Long Term Liabilities	2,867.24
Total Liabilities	2,867.24
Equity	
32000 · Unrestricted Net Assets	-1,475,422.67
3900 · Net Assets - Temp Restricted	15,791,062.59
Net Income	-379,973.95
Total Equity	13,935,665.97
TOTAL LIABILITIES & EQUITY	13,938,533.21

St. Lawrence River Valley Redevelopment Agency Check Register

Type	Date	Ck Num	Name	Memo	Amount
				Beginning Balance for July 2013	\$ 12,230,196.15
Sales Receipt	07/01/2013	165	North Country Dairy	July Payment	14,241.60
Deposit	07/01/2013		NBT Bank	Interest	2.02
Deposit	07/01/2013		Key Bank	Interest	425.84
Deposit	07/01/2013		First Niagara Bank	Interest	792.42
Check	07/09/2013	1262	Composite Systems & Technologies.	Bal of Sec Dep back to tenant	-559.74
Deposit	07/09/2013		Composite Systems & Technologies.	Interest on security deposit	2.74
Check	07/09/2013	1263	St. Lawrence Gas	Lot 18 Utilities	-25.25
Check	07/09/2013	1264	Development Authority of North Country	Underwriting for High Peaks	-275.00
Check	07/09/2013	1	SLCIDALDC	2nd installment of Admin Fee	-150,000.00
Sales Receipt	07/10/2013	167	Structural Wood Corp	July Payment	2,867.24
Sales Receipt	07/16/2013	168	Nicholville Telephone Co	July Payment	5,731.92
Sales Receipt	07/16/2013	169	SLIC Network Solutions Inc.	July Payment	6,297.04
Check	07/22/2013	1265	Business Development Corp	CDEIP Draw	-1,246.22
Check	07/22/2013	1266	Village of Massena, Water Dept	Lot 18 & 19 Water	-41.38
Check	07/22/2013	1267	SLCIDALDC	50% No Co Dairy Payment	-7,120.80
Sales Receipt	07/23/2013	170	Fockler Industries	July Payment	2,437.50
Check	07/30/2013	1268	Massena Electric Dept	Lot 18 Utilities	-58.91
				Ending Balance for July 2013	\$ 12,103,667.17

St. Lawrence River Valley Redevelopment Agency

	2013 Budget	July 2013	YTD	Balance
OPERATING REVENUE				
2400 · Late Fees Received	0.00	0.00	12.50	(12.50)
2409B · Interest Income - Banking	30,000.00	1,250.12	8,416.40	21,583.60
2409L · Interest Income - Loans	45,000.00	3,018.30	21,772.06	23,227.94
2450 · Miscellaneous Income(RVRA)	2,500.00	0.00	2,400.00	100.00
	<u>77,500.00</u>	<u>4,268.42</u>	<u>32,600.96</u>	<u>44,899.04</u>
Massena Industrial Building Lot 18				
2422 · Rental - MIB LOT18	25,000.00	32,000.00	32,000.00	(7,000.00)
	<u>25,000.00</u>	<u>32,000.00</u>	<u>32,000.00</u>	<u>(7,000.00)</u>
6486408 · MIB18 - Maintenance Expense	2,000.00	(116.80)	75.00	1,925.00
6486411 · MIB18 - Insurance Expense	3,850.00	0.00	0.00	3,850.00
6486415 · MIB18 - Cleanup-Repair Expense	2,000.00	0.00	0.00	2,000.00
6486416 · MIB18 - Utility Expense	0.00	69.58	849.00	93.97
6486499 · MIB18 - Miscellaneous Expense	2,000.00	(1,274.00)	0.00	2,000.00
6486500 · MIB18 - Depreciation Expense	7,196.00	0.00	0.00	7,196.00
	<u>17,046.00</u>	<u>(1,321.22)</u>	<u>924.00</u>	<u>17,064.97</u>
Total Massena Industrial Building Lot 18	<u>7,954.00</u>	<u>33,321.22</u>	<u>31,076.00</u>	<u>(24,064.97)</u>
Massena Industrial Building Lot 19				
2423 · Rental - MIB LOT19	25,000.00	0.00	14,625.00	10,375.00
	<u>25,000.00</u>	<u>0.00</u>	<u>14,625.00</u>	<u>10,375.00</u>
6487408 · MIB19 - Maintenance Expense	2,000.00	0.00	75.00	1,925.00
6487411 · MIB19 - Insurance Expense	3,850.00	0.00	0.00	3,850.00
6487415 · MIB19 - Cleanup-Repair Expense	2,000.00	0.00	0.00	2,000.00
6487416 · MIB19 - Utility Expense	6,000.00	6.50	240.35	5,759.65
6487499 · MIB19 - Miscellaneous Expense	2,500.00	0.00	0.00	2,500.00
6487500 · MIB19 - Depreciation Expense	6,804.00	0.00	0.00	6,804.00
	<u>23,154.00</u>	<u>6.50</u>	<u>315.35</u>	<u>22,838.65</u>
Total Massena Industrial Building Lot 19	<u>1,846.00</u>	<u>(6.50)</u>	<u>14,309.65</u>	<u>(12,463.65)</u>
Total Building Revenues	50,000.00	32,000.00	46,625.00	3,375.00
Total Building Expenditures	40,200.00	(1,314.72)	1,239.35	39,903.62
Total Building Net Income	9,800.00	33,314.72	45,385.65	(36,528.62)
Total Building Depreciation	14,000.00	0.00	0.00	14,000.00
Building Net Income without Depreciation	23,800.00	33,314.72	45,385.65	(22,528.62)
GENERAL OPERATING EXPENSES				
6460411 · Insurance Expense	1,500.00	0.00	0.00	1,500.00
6460430 · Contractual Expenses to MED	54,000.00	0.00	27,000.00	27,000.00
6460431 · Contractual Expenses to IDA	300,000.00	150,000.00	300,000.00	0.00
6460432 · Other Legal Expense	20,000.00	275.00	1,535.00	18,465.00
6460434 · Accounting Expense	3,000.00	0.00	2,925.00	75.00
6460436 · Marketing Expense	50,000.00	0.00	225.00	49,775.00
6460442 · Meeting Expense	500.00	0.00	0.00	500.00
6460443 · Other Travel Expense	1,000.00	0.00	0.00	1,000.00
6460450 · Community Devel. & Improv Proj	556,330.00	1,246.22	126,246.22	430,083.78
6460499 · Miscellaneous Expense	1,300.00	0.00	29.34	1,270.66
Total General Operating Expenses	<u>987,630.00</u>	<u>151,521.22</u>	<u>457,960.56</u>	<u>529,669.44</u>
Total Income	127,500.00	36,268.42	79,225.96	48,274.04
Total Expenses	1,027,830.00	150,206.50	459,199.91	569,573.06
Net Income	(900,330.00)	(113,938.08)	(379,973.95)	(521,299.02)
Total Depreciation Costs	14,000.00	0.00	0.00	14,000.00
Net Income without Depreciation	(886,330.00)	(113,938.08)	(379,973.95)	(507,299.02)

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
 Resolution No. RVR-13-xx-xx
 August 20, 2013

**AUTHORIZING CHAIRMAN TO SIGN
 "AGREEMENT BETWEEN MASSENA ELECTRIC DEPARTMENT
 AND
 THE ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY"**

WHEREAS, the St. Lawrence River Valley Redevelopment Agency (the "Agency") wishes to utilize the assistance and expertise of the Massena Electric Department to assist the Agency in allocating the 20 Megawatts of power made available to the Agency through an agreement with the New York Power Authority, and

WHEREAS, the attached agreement has been reviewed by the St. Lawrence County Industrial Development Agency's legal counsel, and

NOW, THEREFORE, BE IT RESOLVED, that the Agency Chairman is designated, authorized, empowered and directed to execute and deliver the attached agreement.

Move:				
Second:				
VOTE	AYE	NAY	ABSTAIN	ABSENT
Burns				
Carroll				
McNeil				
Murphy				
Strait				

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/

 Lori Sibley
 09/20/2013

**AGREEMENT BETWEEN
MASSENA ELECTRIC DEPARTMENT
and
THE ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

This AGREEMENT is effective July 1, 2013 (“Commencement Date”), by and between the Massena Electric Department with an office for business located at 71 East Hatfield Street, Massena, New York (hereinafter referred to as “MED”) and St. Lawrence River Valley Redevelopment Agency (hereinafter referred to as “RVRDA”) with an office for business located at 19 Commerce Lane, Suite 1, Canton, New York. The MED and RVRDA are the Parties hereto.

WHEREAS, MED is a municipal entity and a department of the Town of Massena, and

WHEREAS, MED has assumed the role of counterparty to the beneficial Power Contract with NYPA which will allocate power at the discretion of the RVRDA, and

WHEREAS, the Power Contract calls for certain power industry-specific skills to administer, and

WHEREAS, MED has the institutional expertise to effectively deal with power issues and the day to day management called for in this Power Contract, and

WHEREAS, MED desires to remain a non-political entity dedicated to serving its customers in the Towns of Massena, Louisville, Norfolk, Brasher, and Stockholm, and

WHEREAS, the RVRDA would like to contract with the MED to provide day-to-day managerial oversight to its operations and its expertise in the effective use and distribution of the low cost power now available, and

WHEREAS, MED can also supply valuable advice in coordinating strategic partnerships with important energy market participants, and

WHEREAS, MED can offer other valuable support to economic development and marketing efforts.

NOW, THEREFORE, it is hereby agreed among the Parties hereto, for good and valuable consideration, receipt of which is hereby acknowledged, and the mutual covenants herein contained, as follows:

I. Services

Work performed by MED shall include, but is not limited to, the following services:

- A. Provide guidance on the uses and benefits of low cost hydro power
- B. Provide a central point of contact for, and evaluation of, any revised power contract proposals.
- C. Administer the Power Contract with NYPA
- D. Facilitate Strategic Partnerships
- E. Provide advice on energy related issues. If these matters require additional support they will be approved in advance by the RVRDA.
 - i. Outside counsel may be required beyond the scope of MED's expertise for some of these issues, and such costs shall be in addition to the costs set forth in Article III, with costs to be borne by the RVRDA.
 - ii. Outside counsel may be required beyond the scope of MED's expertise for certain technical issues, and such costs shall be in addition to the costs set forth in Article III, with costs to be borne by the RVRDA.
- F. Support Economic Development and Marketing efforts.

II. Reporting

MED shall provide monthly to the RVRDA Board the status of strategic partnerships, updates on energy-related issues that may impact the RVRDA, evaluation of NYPA sales, status of "ultimate user" accounts (both active and potential "ultimate users"), and updates on any other services performed by MED on behalf of the RVRDA.

III. Compensation

MED shall be paid the annual sum of Forty-Eight Thousand and Six Hundred Dollars (\$48,600.00) for the services provided herein.

The payments shall be payable in equal monthly installments payable the 1st day of each month during the term of this Agreement and shall be retroactive to July 1, 2013.

Any payment not received by MED by the 15th day of the month will incur a late charge of 1.5% of the amount due.

This payment shall be in full satisfaction for all services provided by MED under the terms of this Agreement.

IV. Term and Termination of the Agreement

Services provided under this Agreement shall begin on the Commencement Date and shall continue until the earliest of: (a) a period of one-year terminating on the final day of June, 2014; (b) termination of the Power Contract; (c) mutual consent by both MED and the RVRDA; or (d) "cause", cause being defined as the failure of either Party to abide by the terms of this Agreement

Either Party terminating this Agreement shall provide sixty days prior written notice of their intent to terminate this Agreement.

V. Miscellaneous

This Agreement contains the entire agreement and understanding of the Parties. All prior discussions, agreements, and understandings have been merged into the terms hereof.

All Notices required under this agreement shall be in writing and personally delivered, or sent by certified or registered first class mail, facsimile transmission, email, or overnight express mail addressed as follows:

To MED: Massena Electric Department
 Attn: Andrew McMahon, General Manager
 71 East Hatfield Street
 Massena, New York 13662

To RVRDA: St. Lawrence River Valley Redevelopment Agency
 Attn: Robert McNeil, Chairman
 19 Commerce Lane, Suite 1
 Canton, New York 13617

This Agreement may only be changed by written agreement of the Parties.

This Agreement may not be assigned except with the written consent of the Parties.

Any disputes shall be resolved through good faith negotiations, and in the event required, the courts of St. Lawrence County.

ACCEPTED AND AGREED

For: Massena Electric Department

By: _____
 James Shaw, Chairman
 Massena Electric Utility Board

For: St. Lawrence River Valley Redevelopment Agency

By: _____
 Robert McNeil, Chairman
 St. Lawrence River Valley Redevelopment Agency

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
 Resolution No. RVR-13-08-XX
 August 20, 2013

AUTHORIZING A LOAN OF \$51,500 TO FIRST CLASS AIRE, LLC

WHEREAS, the St. Lawrence County River Valley Redevelopment Agency seeks to actively participate in economic development projects which result in the creation of jobs, and

WHEREAS, the Agency has partnered with the St. Lawrence County Industrial Development Agency Local Development Corporation ("SLCIDA-LDC") for the purpose of providing assistance to such projects, and

WHEREAS, First Class Aire, LLC has applied to the SLCIDA-LDC and the St. Lawrence River Valley Redevelopment Agency for \$51,500 in loan financing to assist in the purchase and installation of equipment, and

WHEREAS, this funding assistance will retain 4 FTE and create approximately 4 FTE jobs as a result of the project, and

WHEREAS, this project will help to reduce the waste stream by expanding the salvage and recycling capacity of a Certified Woman Owned Business and New York State Certified Electronic Waste Recycling Facility,

NOW, THEREFORE, BE IT RESOLVED by the St. Lawrence River Valley Redevelopment Agency agrees to authorize the SLCIDA-LDC to lend \$51,500 from the St. Lawrence River Valley Economic Development Fund to First Class Aire, LLC, and

BE IT FURTHER RESOLVED that said loan of \$51,500 shall be subject to the following terms and conditions:

1. Interest Rate: ½ of prime rate plus 1 (This rate shall be determined at closing and adjusted every five years).
2. Term: Ten (10) year Amortization Schedule; (120 months principal and interest).
3. Security:
 - o Second mortgage on the 495 West Parishville Road, Potsdam, NY property owned by FIB Properties, LLC co-equal with Greater Massena Economic Development Fund;
 - o First lien on one (1) AMD-10446 active low profile heavy duty motor truck scale, and twenty (20) 14' x 48 high 15 yard open top roll off containers owned by First Class Aire, LLC;
 - o Second lien on all Machinery, and Equipment, Inventory, Furniture and Fixtures owned by First Class Aire, LLC co-equal with Greater Massena Economic Development Fund;
4. Other:
 - o Unlimited Personal Guaranty of Lisa K. Clothier
 - o Evidence of bank financing in an amount of \$313,430
 - o Evidence of \$51,500 loan from Greater Massena Economic Development Fund
 - o Evidence of equity in the project of at least \$50,000
 - o Key Man life insurance on the life of Lisa K. Clothier in an amount sufficient to cover the outstanding balance of the loan
 - o Key Man life insurance on the life of Romie D. Clothier, Jr. in an amount sufficient to cover the outstanding balance of the loan
 - o The company agrees to retain 4 and create 4 FTE jobs
 - o Contingent upon a real estate appraisal with a minimum value of \$390,000

Move:				
Second:				
VOTE	AYE	NAY	ABSTAIN	ABSENT
Burns				
Carroll				
McNeil				
Murphy				
Strait				

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/ _____