

St. Lawrence River Valley Redevelopment Agency
Minutes of October 21, 2014 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: Mssrs. McNeil, Murphy, and Strait attend. New York Power Authority Representative Michael Huvane joined the meeting via conference call, while Karen White from NYPA was in attendance. A quorum is recognized.

Public Notice: Public notifications were sent on October 13, 2014 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: Murphy/Strait motion to approve the September 16th meeting minutes. The minutes were passed unanimously.

Financial Report: Murphy/Strait moved approval of the financial report. Motion passes unanimously.

Committee Reports: None

Old Business:

- November Meeting Time/Date/Place: Mr. Kelly reports that the date the RVRA set in September for its November meeting, November 11, is a legal holiday (Veterans Day). He also said that he was trying to set up a joint IDA/RVRA meeting for early November, if at all possible before November 12. The idea was to meet in Massena and couple the joint meeting with a plant tour at Curran Renewable Energy. No one objected to this plan.
- 2015 Budget: Strait/Murphy motion to approve the 2015 budget. On a roll call vote, the motion passes with unanimous consent (3-0).

Staff Report: Mr. Kelly reviews the status of several of the Community Development/Environmental Improvement program awards. The St. Lawrence Power and Equipment Museum had asked the agencies for permission to revise their project so that the sanitary waste would flow to a leach field/septic tank system rather than to the Town of Madrid's sewer system. There was no objection to this, especially since the conversion would allow the project to be completed on budget and would provide expansion capacity.

Mr. Kelly reports that the Massena Arts and Theater had asked for permission to draw down its \$50,000 CD/EI grant before project completion and combine it with a bank loan to purchase the Massena theater from its current owner. Discussion ensued about what assurances there were that the MA&T would complete the whole project, including the renovations that were part of the application. Staff instructed to put a strengthened "claw back" provision in the MA&T agreement that would allow the agencies to take action if the project is not completed in a reasonable period. Strait/Murphy motion to approve revision of the agreement with Massena Arts and Theater as per the discussion. Motion passes unanimously.

Mr. Kelly reports on properties – status of capital improvements and reimbursement for their costs from ESD; current rent rolls; and prospective new tenant for the Massena Park's Lot 18 building.

Mr. Kelly summarizes the marketing efforts made by staff in 2014 – trade shows attended (or to be attended before the end of the year); mailings, including a mailing to be done to high cost power areas in New England; and advertising placements. He also reports that National Grid had agreed to contribute \$50,000 in matching funds to the RVRA/IDA 2015 marketing program.

Mr. Kelly summarizes the loans made by the various agencies so far in 2014. These include the loan to the Massena BDC for the rail siding (see below).

Mr. Kelly reports on the various funding applications submitted to help pay for the infrastructure required to turn the Horton Road site into a functioning industrial park – to the Regional Economic Development Council, the US Economic Development Administration, and the Northern Border Regional Commission.

Mr. Kelly returns to the rail siding in the Massena Industrial Park and asks Mr. Tom Sullivan to provide a status update. Mr. Sullivan reports that two small wetlands have been identified in the spur's right of way and that the BDC's engineers started proceedings two weeks ago with the Army Corps of Engineers. This will not fatally delay the construction because work can start on other parts of the siding and materials have been ordered. He is confident that the conditions of the key grant (US DOT) that expires on 12/31/14 can be met in spite of any delay that the wetlands issue may create. He characterizes the whole discovery as a "minor hiccup". Members ask what progress has been made to put an agreement in place with Curran that will allow others to use the siding. Mr. Sullivan says that the BDC is looking for an attorney who has "railroad savvy" to help them deal with this issue.

Presentations: Mr. Mark Dzwonczyk of SLIC takes the floor and gives a 20 minute presentation on the progress SLIC has made over the last 4-5 years. He focuses on how seriously they have taken their "connect the community to the world" mission statement. Some of the data points he summarizes are:

- 800 miles of fiber laid (including 120 miles in Franklin Co.) serving 7,200 homes, with 3,000 new subscribers, including a new TV "head end"
- 50 employees since 2010 (doubling headcount) with \$3.25 M in salaries and benefits, paying \$350,000 in property taxes
- While doubling headcount, compensation increased by 2.5, while the number of executives and their salaries decreased; in short, "more jobs and better jobs"
- For their data services DSL has been flat and all growth has been in broadband; in voice service, NTC's customer base has declined, while voice over broadband has shown substantial growth; in video, they have exceeded their projections (all outside the NTC service area)
- In short, SLIC is doing well, but it is plowing all its cash back into infrastructure expansion
- Much of this made possible by \$33 M in federal grants (which require 20% match), of which all but about \$4-5 M has been invested; also awarded a total of about \$14 M from the New York broadband programs, which will allow the installation of another 350 miles of fiber backbone
- In response to a question he says that SLIC's strategy is to provide services in underserved areas and not generally to go head-to-head with existing broadband services providers in the more built-up communities

Public Comment: Lucia Daily asks if the RVRA expected the CD/EI projects to be funded in the future from monetization proceeds. McNeil assures her that this is not the expectation, but that some of the projects proposed to the RVRA (but NOT funded in the past) could be likely applicants for monetization funding.

Discussion ensues on the status of the monetization legislation. McNeil reports that the governor has not yet asked the Assembly to send him the legislation passed earlier in the year. He has been assured that this does not mean that there is a problem.

Executive Session: Carroll/Strait motion for Executive Session at 7:11 PM to discuss the financial status of several companies. Motion passes with unanimous consent.

Return to regular session at 7:58 PM, upon the motion by Strait/Murphy.

The meeting is adjourned at 7:58 PM, upon the motion by Strait/Murphy.

Note: The next regularly scheduled meeting of the St. Lawrence River Valley Redevelopment Agency will be held at a time and place to be determined.
