

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MINUTES OF MEETING
October 26, 2006

CALL TO ORDER: Chairman Brian Staples called to order a regular meeting of the St. Lawrence County Industrial Development Agency at 8:10 AM at McCarthy's Restaurant, Canton.

ROLL CALL: **Present**: Walter Basmajian, R. Shawn Gray, Jon Greenwood, Ernest LaBaff, Brian Staples, R. Joseph Weekes, Jr. **Absent**: Lynn Blevins. **Others Present**: Raymond Fountain, CEO; Edwin Short, CFO; Patrick J. Kelly, IDA Deputy Director; Natalie A. Haggart, Administrative Assistant; Brian Norton, Economic Developer; Rich Williams, Facilities Manager; Edwin Short, Chief Financial Officer; and William R. Small, Agency Counsel. Also, Mike Almasian, Fred Pollard, Tony Gelardi, Tim Wright and Mahlon Clements

PUBLIC NOTICE: The Board was informed that meeting notices had been sent on October 13, 2006 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; additional local media sources, the St. Lawrence County Courthouse and placed on both the County's and SLCIDA's website.

APPROVAL OF MINUTES: After review of the minutes, Mr. LaBaff moved to accept, seconded by Mr. Weekes, the minutes of the September 28, 2006 meeting. Approved unanimously.

PUBLIC COMMENT: Mike Almasian provided an overview of a recently submitted bond application, explaining that Michelex is working with Sunrise Securities whereby Michelex would acquire the AgPro plant. The soybean oil would then be relocated to the building next to AgPro and converted to biodiesel. Funds in the project would provide Michelex with the operating capital needed to resume the plastics business. Mr. Fountain, noting that the board had not received copies of the application as of yet, also noted that the project is over the bond cap set by law. Mr. Fountain also points out that this project has yet to name Bond Counsel. Mr. Almasian suggests that the project be split into three smaller projects to stay under the bond cap. Mr. Staples notes the importance of naming Bond Counsel. Mr. Kelly asks if the firm listed as bond counsel on the application can provide bond counsel services. Mr. Alamasian affirms his belief they can provide bond counsel, but in the event he is mistaken Sunrise can provide bond counsel.

Tony Gelardi introduces himself as President of Sagoma Technologies and provides a brief overview of the company's history. Mr. Gelardi explains the company's reasoning for relocating the plastics portion of the overall project to this area from Maine, noting "rampant" taxation, unwillingness of the labor force to work shiftwork, and skyrocketing energy costs. Mr. Gelardi explains that his portion of the project would result in a move to Massena of 70 jobs and 100 by May. Mr. LaBaff asks about pay grade and benefits, to which Mr. Gelardi notes entry level first shift workers would earn between \$10 and \$10.50 per hour with full (single) benefits. Engineers start at approximately \$40-60,000 and Plant Manager would start at approximately \$100,000. Mr. Gelardi notes that Michelex was a competitor and he was enticed to the Massena area based on a number of factors: power cost and proximity to Montreal being two factors. Mr. Gelardi welcomed Mr. Fountain's suggestion to have IDA reps visit the Maine site. Mr. Kelly notes ESD is compiling a financing package. Responding to Mr. Gray's question, Mr. Gelardi notes the funds would assist with a lease purchase on the IDA building, a payoff of the balance of a \$240,000 grant from Maine; and the balance to assist with the relocation.

Mr. Wright provided the attendees with his background and an overview of the biodiesel portion of the project, citing the advantages of biodiesel fuels, noting also his request for a loan to purchase the biodiesel production equipment. In response to Mr. LaBaff's inquiry, Mr. Wright noted approximately 30 jobs would be created directly as a result of this project. The operation would run 24 hours daily (250

tons of soybeans processed daily as opposed to AgPro's current process rate of 150 tons per day). Mr. Gray asked if traditional farms converting to soy farming would be given any type of support, to which Mr. Wright cited AgPro's farm support program operated by Steve Carr.

Mr. Almasian noted that it was important for Sunrise to receive from the IDA a clear expression of support, clarifying this does not mean a promise of funds.

FINANCIAL REPORTS (September 2006) Motion by Mr. Greenwood, second by Mr. Weekes. No questions or discussion. Filed for audit.

REPORTS OF COMMITTEES No reports.

STAFF REPORT Mr. Fountain reports on the following:

- Ainsworth: OBPA has approved a resolution naming the IDA as agent for the wetlands mitigation. An agreement will be required which clarifies various roles in the process.
- Newton Falls: Bond application is proceeding.
- St. Lawrence Zinc: Hiring another 30 people.
- Village of Gouverneur: Correspondence from NYS Corrections is conveyed regarding the Village's request for assistance with the water pressure near the Gouverneur Park.
- Merton VanSant Scholarship: Clarkson has rectified the concern with the scholarship recipient who was not from St. Lawrence County.

OLD BUSINESS :

Resolution Modifying the IDA 2006 Budget: Moved by Mr. LaBaff; second by Mr. Basmajian. Adjusts over- and under-expended accounts. Approved unanimously by roll call vote.

NEW BUSINESS:

Resolution Accepting Tentative 2007 IDA Budget: Moved by Mr. LaBaff, second by Mr. Gray. Mr. Fountain notes that the submission deadline for PAAA compliance is November 1. Final budget shall be approved in December. Mr. Fountain notes a new vehicle is included in the budget to replace the Lumina. Mr. Staples receives assurance that the vehicle will be US made and purchased locally. Mr. Greenwood inquires about the Whey Study funds and how much longer the funds will be available. Mr. Kelly is having discussions with CoolBrands and Losurdo on the utilization of the funds. Approved unanimously by roll call vote.

Intent Resolution (Newton Falls Fine Paper Company): Moved by Mr. LaBaff, second by Mr. Weekes. Mr. Fountain provides an overview of the project and its current status. Approved unanimously by roll call vote.

Claxton-Hepburn Donation: Moved by Mr. LaBaff, second by Mr. Basmajian. Mr. Fountain provides a history of the reasoning behind these types of actions, noting that the IDA had not wished to lower the bond issuance fee and instead opted to return half of the fee to the entity. The donation will be made in memory of Ken McDonald. Approved unanimously by roll call vote.

EXECUTIVE SESSION: Upon Mr. LaBaff's motion the Board went into Executive Session at 9:39 AM to discuss pending litigation with Alliance of New York. Motion carried by voice vote.

Return to Regular Session at 9:49 AM.

Alliance Agreement: Motion by Mr. LaBaff, second by Mr. Weekes. This action authorizes Mr. Fountain to execute documents (i.e. Supplemental PILOT Payment Agreement by and among AG Energy LP and the St. Lawrence County IDA and Supplemental PILOT Payment Agreement by and among Power City Partners, LP and the St. Lawrence County IDA). Mr. Fountain notes that the documents are a result of ongoing negotiations with Alliance for the unpaid PILOTs due in May 2006 and October 2006. Approved unanimously by roll call vote.

ADJOURNMENT

There being no further business to discuss and on Mr. LaBaff's motion, the meeting adjourned at 9:50 AM.

Approved:

/s/
(Mr.) Lynn Blevins, Secretary