



2007

ANNUAL REPORT

ST. LAWRENCE COUNTY OFFICE OF ECONOMIC DEVELOPMENT

SPONSORED BY:

ST. LAWRENCE COUNTY IDA
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A MESSAGE FROM THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY



As St. Lawrence County's lead economic development entity for the past 35 years, the St. Lawrence County IDA has been witness to many victories and challenges. This year has been no exception.

General Motors' announcement that it will close its Massena Powertrain Facility by the end of 2008 will have a significant impact on the area's economy. We will need to work hard to recover from this devastating news. On a brighter note, Alcoa and NYPA reached a tentative power for jobs agreement that will keep this long-time employer and pillar of the community around for a long time.

We witnessed the retirement of longtime IDA Board member Walter Basmajian. Walter joined the IDA in 1977. He was a committed leader of the IDA and his vision helped it become what it is today. He continues to be a strong and well-respected member of the community.

We also welcomed Walter's successor, Andrew McMahon, who is the Superintendent of the Massena Electric Department and brings to the Board a commitment to local and regional economic development and an expertise in energy-related issues.

2008 will see us build upon our current economic development efforts: an innovative and aggressive marketing program; expanded business outreach and assistance; the continuation of our partnerships with the local economic development and workforce development entities in and around our communities; and the creation of additional programs to enhance business and the economy.

All of this comes down to one important word...jobs. As one of our Board members often says, "It's all about the jobs."

Board Members, Officers and Staff are committed to continuing our assistance to build our North Country's economy and way of life in St. Lawrence County.

Brian W. Staples
Chairman

CHAIRMAN

Brian W. Staples
Brian W. Staples, CPA

VICE-CHAIRMAN

Ernest LaBaff
*President Emeritus
Aluminum Brick & Glass
Workers International Union*

SECRETARY

Mr. Lynn Blevins
Blevins Brothers

Jon R. Greenwood
Greenwood Dairy

Andrew McMahon
Massena Electric Department

Frederick S. Morrill
*St. Lawrence County
Legislature*

R. Joseph Weekes, Jr.
Weekes Agency

Raymond H. Fountain
Chief Executive Officer

Kimberly A. Gilbert
Chief Financial Officer

A MESSAGE FROM THE ST. LAWRENCE COUNTY WORKFORCE INVESTMENT BOARD

ST. LAWRENCE COUNTY
WORKFORCE INVESTMENT BOARD
WWW.SLCONESTOP.COM



Federal job training began with those Depression-era programs that were created under Franklin D. Roosevelt's administration. Although under various names and acronyms, they've continued in one form or another to the present time. The Workforce Investment Act of 1998 was built upon the lessons learned from its predecessors.

The 1998 Act designed the creation of the Workforce Investment Board ("WIB") as the overseer of workforce development programs in St. Lawrence County. With our partner agencies the WIB operates the St. Lawrence County One-Stop Career Center.

I am pleased to report that the One-Stop Career Center exceeded all 17 of its Local Performance Standards in the past year. As a result, we were awarded over \$163,000 in incentive funds. Additionally, the WIB sought out, and received, an award of up to \$2.5 million in funds to implement a three-year strategy that we have created to deal with the substantial negative impacts on the regional workforce that are anticipated in light of GM's decision to close their Massena facility.

The need for these funds has never been greater. After a number of years of continued decreases in our funding, we have been forced to make cutbacks both in the dollars that we have been able to provide to job seekers and in our employees that counsel them. As the awarding of the incentive and GM funds indicates, we are working to seek out innovative ways to maintain service levels and meet the State's performance standards.

Our investment in the local workforce over the past year included \$204,638 in On-the-Job training contracts and another \$206,000 in classroom training. As a result of our programs, over 6,000 adults and nearly 200 youth were served in St. Lawrence County last year by our workforce system.

I will close by thanking Paul Catanzarite for his time and energy as our past Chairman and by welcoming Mike Noble as our new Chair for 2008. We are fortunate to have such dedicated and talented people to fill these roles.

Donald Hooper
Vice-Chairman, Acting Chairman

CHAIRMAN
Paul Catanzarite
Alcoa

VICE-CHAIRMAN
Donald Hooper
Hooper & VanHouse, CPAs

SECRETARY
Ron McDougall
AFL-CIO

TREASURER
Richard Daddario
Laborers' Local 322

Jack Backus
Mort Backus & Sons
Doug Beachard
St. Lawrence Zinc
Sue Caswell
Caswell True Value
Tracy Charleson
Commercial Press
Kathy Daniels

Newton Falls Fine Paper Co.

Bruce Green
America One Realty
Joseph Kennedy
SUNY Canton
Linda Manchester
NYS DOL

Lisa McCarty
Kelly Services, Inc.
Michael Noble
North Country Savings Bank

Stephen Novacich
VESID
Richard Orton
United Steel Workers 450-A

Walter Paul
St. Lawrence-Lewis BOCES

Daphne Pickert
NYSARC
Dale Rice
NYS SBDC

Karen St. Hilaire
St. Lawrence County
Ryan Schermerhorn
St. Lawrence Zinc
Mark Webster
St. Lawrence Health Alliance

THE YEAR IN REVIEW

JANUARY



The IDA acts on a bond issuance project with **Clarkson University**, along with authorizing execution of a Lease Agreement, Leaseback Agreement and PILOT Agreement with **St. Lawrence Lumber** and an Official Intent resolution for **Curran Renewable Energy, LLC**. In addition, staff present the IDA's 2007 Marketing Plan.

FEBRUARY

The Local Development Corporation's Micrenterprise Revolving Loan Fund authorizes \$20,000 in loan financing to **Chip's Place** in Hannawa Falls.

MARCH

ZeroPoint Clean Technologies, Inc. renews its lease at the IDA's Potsdam Commerce Park building. The IDA authorizes a revision to its building lease with **Media Accessories.com**.



The St. Lawrence County Workforce Investment Board (WIB) recognizes **SeaComm Federal Credit Union** and **WPDM** for their support of the local workforce through their partnership to communicate to the community area job listings.



WIB Chairman Paul Catanzarite is shown presenting recognition plaques to Jerry Manor of SeaComm Federal Credit Union and Derry Loucks of WPDM. Also pictured is Jai Fiacco of the St. Lawrence County One-Stop Career Center.

APRIL



Newton Falls Fine Paper Co., LLC's project is approved by the IDA. This \$10 million bond project will help reopen the former Newstech New York paper mill (closed since 2001) and will create approximately 100 jobs.

Potsdam Auxiliary & College Educational Services (PACES) submits a \$2.5 million Civic Facility Revenue Bond application to assist in the expansion of SUNY Potsdam's dining facility in Carson Hall.

MAY

The IDA approves a resolution terminating a lease and PILOT agreement with **AG Energy** and accepting terms of a proposed settlement.

General Motors announces it will close the **Massena Powertrain** plant at the end of 2008.

JUNE

During its Annual Meeting, the IDA elects its Officers: Brian Staples, Chairman; Ernest LaBaff, Vice-Chairman; and Lynn Blevins, Secretary. Raymond Fountain was reappointed Chief Executive Officer; Kimberly Gilbert is appointed Chief Financial Officer; William R. Small, Esq., is reappointed Agency Counsel and the Office of Economic Development is named staff to the IDA.

WIB Vice-Chairman Donald Hooper assumes temporary Chairmanship as existing Chairman Paul Catanzarite is promoted to a new position with Alcoa in Richmond, Virginia.



The WIB revises its customer travel reimbursement policy to help offset the effect of increased fuel prices. The Board establishes its Program Year 2007 budget, extends current contracts to providers of year-round youth services, and creates a plan of service to secure the funds needed to serve individuals affected by the GM Plant closure.

JULY

The Microenterprise Revolving Loan Fund authorizes \$20,000 in loan funding to **AKJ Marine**.



The WIB receives a \$100,000 planning grant commitment from the **New York State Department of Labor** to begin working with the GM workers and the community affected by the plant closure.

AUGUST

The IDA authorizes a public hearing for Newton Falls Fine Paper Co., LLC, pursuant to the Company's submission of an amended application requesting assistance with a PILOT, and accepts the application of **Dockside Village of the 1000 Islands**.



SEPTEMBER

The IDA authorizes receipt and administration of \$750,000 in CDBG grant funds for Newton Falls Fine Paper Co., LLC to assist in the reopening of the paper mill.



Responding to the devastating fire at **Cives Steel Company** in Gouverneur, the IDA authorizes \$150,000 in matching funds to assist Cives' rebuilding efforts. New York Senator Jim Wright secured \$250,000 for Cives' effort.

Continuing its long-standing commitment to workforce preparation, the IDA returns \$12,500 (one-half of the bond issuance fee) to the **IDA/PACES Scholarship Fund**.



The Workforce Investment Board meets and is updated on the status of the County's **Comprehensive Economic Development Strategy (CEDS)**. Chaired by WIB Member Rich Daddario, the CEDS Committee consists of economic development entities within the County, chambers, interested citizens and WIB board members. Sara Sanderson, who operates the **ATTAIN** (Advanced Technology Training and Information Networking) lab at the Ogdensburg Boys & Girls Club, is the WIB's guest speaker.

OCTOBER

The WIB is notified that it has received approximately \$2.5million to provide services over a period of three years to workers dislocated as a result of the **General Motors Powertrain Plant** closure. These funds will help provide job search, retraining, relocation and on-the-job training assistance.

NOVEMBER

The IDA recognizes the efforts of Empire State Development and the Clifton-Fine Local Development Corporation in responding to the needs of Newton Falls Fine Paper Co. as it reopens the paper mill. Clarkson University and its president, Anthony Collins are also recognized for contributions to economic development in St. Lawrence County.



EJ Noble Hospital of Gouverneur's final bond issuance is approved.

Recently-retired IDA member **Walter Basmajian** is recognized for his efforts and service to the citizens of St. Lawrence County and is made a “Lifetime Honorary Member” of the IDA. Walter was appointed to the IDA in 1977 by the St. Lawrence County Board of Legislators, and served the IDA in various capacities.



In 1993 the IDA established the Walter Basmajian/St. Lawrence County Industrial Development Agency Scholarship Fund to honor Basmajian, a former Chairman and charter member of the Board. Since the inception of the fund, 13 St. Lawrence County students have received awards and it continues to be an important source of educational funding assistance to local residents.

DECEMBER

The St. Lawrence County Workforce Investment Board unanimously elects Michael Noble as its Chairman to fill the unexpired term of Paul Catanzarite, the former plant Manager at Alcoa's Global Cold Finish Products. Mike is Senior Vice President and Chief Operating Officer of North Country Savings Bank.

The MicroLoan Fund authorizes loan funding for **Chuck's Pet Center** in Canton (\$20,000); **The Hair Studio** (\$20,000) located in Potsdam, **Lucas Motorsports** and **Twin Pine Quickstop** (\$8,000) located in Nicholville, and **Felician House Bed and Breakfast** (\$11,200) in Canton.

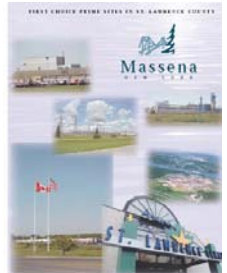
DECEMBER (CONT'D)

Karen DeJarnette, Director of Workforce Development Initiatives at **Empire State Development** speaks at the WIB's December meeting. Also, at its December meeting the WIB allocates its Incentive Grant spending plan toward equipment; sponsorship of a Certified Nurse Aide Program for 20 youth; a skill development program for 14 youth through the Community Brigade program; financial assistance for occupation training for 20 adults; One-Stop marketing initiatives; and staff capacity building.

Curran Renewable Energy LLP was assisted by the St. Lawrence County IDA, the St. Lawrence County IDA Local Development Corporation, Seaway Private Equity Corporation, and the Greater Massena Economic Development Fund with \$9,600,000 in funding to purchase two existing, IDA-owned buildings within the Massena Industrial Park and the purchase and installation of equipment used to manufacture wood pellets. The project proposes the creation of 50 new jobs.

2007 MARKETING

- Mailed 9,625 pieces of marketing materials regarding St. Lawrence Co.
- Trade shows and seminars:
 - OCRI Showcase (Ottawa) _____ March 2007
 - North Country Symposium (Potsdam) _____ May 2007
 - US Consul General's Residence Reception (Ottawa) _____ May 2007
 - Bio 2007 International Convention (Boston) _____ May 2007
 - Veterans Loan Seminar (Gouverneur) _____ Sept. 2007
 - US Defense & Security Exhibition (Ottawa) _____ Oct. 2007
 - Local Government Conference (Potsdam) _____ Oct. 2007
 - Business/Consumer Expo (Massena) _____ Oct. 2007
 - AMCHAM Reception (Ottawa) _____ Nov. 2007
 - Frederic Remington Museum Reception (Ogdensburg) _____ Nov. 2007
- Coordination of five Countywide Economic Developers Marketing meetings
- 127 "Come Farm With Us" folders were mailed to potential new farm owner/operators interested in relocating to St. Lawrence County
- Advertising and media promotion pieces were created and utilized, including placements in *North Country This Week*, *Area Development Magazine*, *Ottawa Citizen*, *St. Lawrence Newspapers*, *Absolutely Business*, *Expansion Journal Magazine* and *Watertown Daily Times*.



BUSINESS ASSISTANCE

Name	IDA Bond Financing	IDA Assistance	IDALDC Loan Financing	GMEDF Loan Financing	LDC Micro Loan Financing	WIB Job Training Assistance
Acco Brands, Inc.						\$6,259
AKJ Marine					\$20,000	
Atlantic Testing			\$200,000	\$200,000		
B&S Business Services						\$1,360
Bedrock Café					\$20,000	
Bennett Family Properties		\$13,965				
Bestway of New York, Inc.						\$8,603
Canton Potsdam Hospital						\$2,287
Chip's Place					\$20,000	
Chuck's Pet Center *					\$20,000	
Clarkson University	\$25,320,000					
Curran Renewable Energy	\$8,000,000		\$400,000	\$200,000		
DE Kerr Construction			\$75,000			
Dockside Village*		\$1,337,447				
EJ Noble Hospital*	\$12,000,000					
Felician House B&B *					\$11,200	
Folsom's Custom Contracting						\$3,000
Frenchie's Chevrolet						\$1,704
Golden Technology Mgmt.						\$12,114
Heritage Cheese			\$80,000			
JMS Mechanicals						\$5,298
Lucas Motorsports*					\$8,000	
Massena Metal, Inc.						\$1,898
Media Accessories.com, Inc.						\$2,000
Newton Falls Fine Paper*	\$10,000,000		\$400,000	\$200,000		\$103,066
North Lawrence Dairy						\$8,160
Northern Merchants Services						\$4,881
PACES	\$2,500,000					
Potsdam Mineral & Feed			\$40,000			
St. Lawrence Co. Newspapers						\$3,000
St. Lawrence Health Alliance						\$2,800
St. Lawrence Lumber		\$183,260		\$150,000		
St. Lawrence Snowmobile			\$58,000			
St. Lawrence Zinc						\$34,317
Strader Ferris Int'l, Ltd.						\$2,490
Structural Wood/Roll Lock						\$629
The Hair Studio*					\$20,000	
Upstate Heating & Plumbing						\$772
Assistance	\$57,820,000	\$1,534,672	\$1,253,000	\$750,000	\$119,200	\$204,638

* One or more elements of the project are incomplete at this time.

Jobs Impact

Jobs Retained	1,016
Jobs Proposed to be Created (within 3 years of project close)	289
WIB Training-Assisted Jobs	74

BUSINESS ASSISTANCE

ST. LAWRENCE COUNTY IDA

IDA Bond Financing: Industrial Development Bonds are tax-exempt financings that provide low-cost debt to small- and mid-sized companies that may not have access to credit markets. These bonds allow these groups to finance expansions and job growth that would not be possible through higher cost financing.

IDA Assistance: The IDA can also provide financial assistance to private entities through tax incentives in order to promote the economic welfare, prosperity and recreational activities for residents of St. Lawrence County. Such assistance can include (i) Mortgage Recording Tax Exemption; (ii) Sales and Use Tax Exemption; (iii) Real Property Tax Abatement/PILOT Agreement.

ST. LAWRENCE COUNTY IDALDC

IDALDC Loan Financing: The St. Lawrence County IDA Local Development Corporation administers a Countywide revolving loan fund. Intended for manufacturing, industrial, commercial and warehousing operations, this fund can authorize the lesser of 30% of a project's cost or \$400,000. Hiring plans must demonstrate creation or retention of at least one job for every \$15,000 of financing. Low-moderate income persons must account for 51% of new hires.

GREATER MASSENA ECONOMIC DEVELOPMENT FUND

GMEDF Loan Financing: Established by the New York Power Authority, the administrative responsibilities of the GMEDF were transferred to the St. Lawrence County IDA in April of 2001. The fund helps to induce business enterprises to establish, maintain or expand plants, facilities or operations in the Town of Massena and St. Lawrence County.

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORP.

LDC MicroLoan Financing: The St. Lawrence County Local Development Corporation administers a HUD-funded Microenterprise Revolving Loan Fund (MRLF) to assist persons who are low-income to create or expand a microenterprise. The entrepreneur must be able to demonstrate that alternative sources of business finance are not available, or not available at a feasible cost. This fund can loan up to \$20,000 to a low-moderate income-qualified person as defined by HUD. Loans at or above \$15,000 require an increase in the firm's employment by at least one full-time job (or equivalent).

ST. LAWRENCE COUNTY WORKFORCE INVESTMENT BOARD

WIB Job Training Assistance: The St. Lawrence County Workforce Investment Board can provide On-The-Job Training funds to reimburse an employer who hires a program-eligible individual. The program is intended to reimburse an employer for extraordinary costs associated with employee training. Up to 50% of an individual's starting salary can be reimbursed for up to six months (depending upon the occupation for which the individual is being trained).

DIRECTOR'S REPORT



More than 25 years ago, the St. Lawrence County Industrial Development Agency and the St. Lawrence County Office of Employment & Training combined responsibilities, functions, funding and staff, to become the St. Lawrence County Office of Economic Development. Coordination of our staff offers an invaluable way to provide a comprehensive array of services. However, we cannot do it alone. Our economic and workforce development partners at the local and state level are critical to our success; and this was no more evident than in 2007 with over \$85 million invested in St. Lawrence County.

We celebrated the reopening of the paper mill in Newton Falls and welcomed the 100 jobs that this project helped to create. The establishment of the Newton Falls Fine Paper Co., LLC was 5 years in the making and the result of countless hours of hard work; and a determination and commitment by local economic partners such as the Clifton-Fine Economic Development Corporation, New York State Empire State Development and Potsdam Empire Zone.

What seemed like only moments later we reeled from the announcement that General Motors will shut down its Massena Powertrain facility by the end of 2008. The devastating news will affect the approximately 500 employees of GM and its vendors and subcontractors, not to mention the challenges this closure will impose on our local economy. Shortly after this announcement the St. Lawrence County Workforce Investment Board submitted to the State Department of Labor a plan to serve individuals affected by the closure, and will encompass services to residents of St. Lawrence and Franklin counties. The North Country Redevelopment Task Force was created as a result of this announcement, and consists of representatives from State, local, educational and private business.

After a long road, we received an early Christmas gift with the completion of the Curran Renewable Energy project. The diligence of our staff played a major role in seeing this project to fruition. The project will directly create 50 jobs and help rebuild the logging industry that was affected by the closing of the Canadian-based Domtar plant in neighboring Cornwall. This project was one of the more trying projects over the last couple of years, and tested the resolve of the company and economic developers alike. The IDA's economic development partners in this project included: Business Development Corporation for a Greater Massena, City of Ogdensburg Empire Zone (for extending Empire Zone benefits to the project) and New York State Empire State Development Corporation.

Raymond H. Fountain
Director, St. Lawrence County Office of Economic Development

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OFFICE OF ECONOMIC DEVELOPMENT
2007 ANNUAL REPORT**

Additional information on our programs and services can be found at:

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