

**Minutes of the
County of Clinton
Industrial Development Agency
October 12, 2022**

The meeting was called to order by Trent Trahan, Chairperson, at 12:24 p.m. at the County of Clinton Industrial Development Agency (CCIDA) office located at 137 Margaret Street, Suite 208, Plattsburgh, New York.

MEMBERS PRESENT: Trent Trahan, Chairperson
David Hoover, Vice Chairperson
Keith Defayette, Treasurer and Chief Financial Officer
Michael Zurlo, Secretary
Joey Trombley, Member
John VanNatten, Member

ABSENT: Mark Leta, Assistant Secretary
Toni Moffat, Executive Assistant

STAFF PRESENT: Molly Ryan, Executive Director
Christopher Canada, Esq., Agency Counsel
Shannon Wagner, Esq., Agency Counsel
Dorothy Brunell, Administrative Assistant

OTHERS PRESENT: Andrew Staulcup, Esq., ERS

T. Trahan stated there was a quorum present.

T. Trahan waived the reading of the notice of the meeting published in the Press Republican on December 16, 2021.

Presentation: Prior to the CCIDA meeting, Aaron Benner of Boire Benner Group gave a presentation to the Board outlining their marketing proposal.

Approval of the Minutes of the September 12, 2022 Meeting

T. Trahan asked if there were any questions regarding the draft minutes of the September 12, 2022 meeting of the CCIDA. There were none.

On a motion by D. Hoover, and seconded by J. VanNatten, it was unanimously carried to approve the minutes of the September 12, 2022 meeting of the CCIDA.

Public Comment

There was no public comment.

Reports

K. Defayette reviewed the September 2022 Treasurer's Report with the Board. There were no questions or concerns.

On a motion by J. VanNatten, and seconded by D. Hoover, it was unanimously RESOLVED to approve the September 2022 Treasurer's Report as presented by K. Defayette.

Committee Reports

Finance Committee

K. Defayette reported posting of the Proposed Budget for 2023 to PARIS and at the Clinton County Government Center was recommended by the CCIDA Finance Committee.

On a motion by J. VanNatten, and seconded by D. Hoover, it was unanimously RESOLVED to approve the posting of the Proposed Budget for 2023 to PARIS and at the Clinton County Government Center.

Old Business

Boire Benner Group Marketing Proposal

The Board discussed Boire Benner Group's marketing proposal and the long-term benefits it is anticipated to provide in promoting the benefits available through the CCIDA. M. Ryan advised that the Boire Benner proposal is far less expensive than the other two proposals received for the same scope of work.

On a motion made by M. Zurlo, and seconded by K. Defayette, it was unanimously carried to approve a contract with the Boire Benner Group which will include marketing design work, video production and photography, and video advertising for the CCIDA.

New Business

South Junction Enterprises

M. Zurlo advised that, as the Board is aware, South Junction Enterprises was awarded a \$1.4 million grant from the New York State Department of Transportation (NYSDOT). However, when the contract was received it listed the CCIDA as the Grant Recipient. This transaction was always intended to be conducted through the Clinton Grant Facilitation Corporation (CGFC) and all the Resolutions associated with the Project were approved through the CGFC. When the grant was submitted by the previous Executive Director, the CCIDA was mistakenly listed as the Grant Recipient. M. Ryan asked the NYSDOT to change the name on the contract from the CCIDA to the CGFC, however, they refused. M. Zurlo explained that the NYSDOT contract requires the Grant Recipient to guarantee contributing \$272,000 to the Project. He further explained that it was never the intention for the CGFC to contribute any funds to this Project and the CGFC was simply acting as a conduit between the NYSDOT and the Project to obtain the grant funding. M. Zurlo advised that he discussed the situation with C. Canada, and in lieu of having to start the entire application process over again, they are proposing that an additional agreement be made between the CCIDA and South Junction Enterprises whereby South Junction Enterprises would accept responsibility for the \$272,000 rather than the CCIDA as is stated in the contract. C. Canada cautioned that even if the CCIDA has this agreement with South Junction Enterprises, if they do not contribute the required \$272,000, the CCIDA would be held responsible for that money. M. Zurlo stated that South Junction Enterprises is a viable and profitable business and, in his opinion, the CCIDA can trust them to fulfill their responsibility of providing the \$272,000. M. Ryan stated that when South Junction Enterprises previously applied for a grant from the Northern Border Regional Commission (NBRC), they committed to providing \$750,000 of private capital, so in her opinion, they would be capable of providing the \$272,000 required by the NYSDOT grant.

M. Zurlo suggested that M. Ryan, C. Canada and S. Wagner have a conference call with South Junction Enterprises to explain the situation and determine their willingness to engage in the additional agreement as outlined by C. Canada. J. VanNatten asked what the \$272,000 the CCIDA would be liable for represents with regard to the overall Project costs. C. Canada advised the total Project costs are \$1.678 million, the NYSDOT is

providing \$1.406 million, so South Junction Enterprises' pro-rata share is \$272,000. J. VanNatten asked if the CCIDA could get a surety bond for the \$272,000. C. Canada advised this was possible because the CCIDA has all the leverage. M. Zurlo advised that while the CCIDA has the leverage, it is also the cause of the issue. M. Zurlo requested that M. Ryan and C. Canada discuss a surety bond with South Junction Enterprises.

On a motion by M. Zurlo, and seconded by K. Defayette, it was unanimously carried that the CCIDA would enter into a Grant agreement with the NYSDOT for South Junction Enterprises to receive \$1.406 million dollars in grant funding and that a CCIDA Resolution will be conditioned on discussions between agency counsel, the CCIDA Executive Director and the Project whereby South Junction Enterprises agrees to enter into an additional agreement which contains the same terms and conditions as those outlined by the CGFC Resolution #07-22-04.

Management Team Report

Project Update – ERS Presentation

M. Ryan introduced Andrew Staulcup of ERS. A. Staulcup advised that he will provide the Board with an update on the project and outline the setbacks and delays they have experienced, as well as outline their plans for the future. He advised the first setback they experienced was COVID which significantly delayed development at the site. Secondly, they had a tenant move in under false pretenses which they did not realize until the tenant had moved into the building and caused problems. A. Staulcup advised there are lawsuits pending for damages to the premises and ERS is working to address the issues created as best they can. He indicated that moving forward, they have had a lot of interest in the site; specifically, they are currently working with three major shipping companies, including Formosa and Artic Frames. Formosa is working with CDC Real Estate, LLC, to lease 60,000 square feet of property at the site which would initially create 15-20 jobs. A. Staulcup also stated they are in talks with a European hydrogen manufacturing company. He indicated that when Pfizer closed their manufacturing facility, the Village of Rouses Point was left responsible for the water tower which holds approximately 1.5 million gallons of water. A. Staulcup advised that they are seeking companies that will use a lot of water to help the Village of Rouses Point recover some of their losses. He also indicated that the hydrogen manufacturing company is looking into any available grant funding as hydrogen is considered a green energy source. The anticipated amount of investment for this project is between \$25 and \$120 million. The Project would be a large consumer of power. A. Staulcup indicated that he has spoken with G. Douglas at the North Country Chamber of Commerce who supports this project.

Going forward, A. Staulcup advised ERS is working hard to repair their relationship with the Village of Rouses Point. They speak with Village representatives several times each week to maintain thorough transparency into their operations. A. Staulcup indicated that ERS needs the CCIDA's help to develop the property. M. Zurlo asked if the principals of ERS have changed since they originally spoke with the CCIDA Board. A. Staulcup advised that two of the four original investors are no longer with the company in any capacity, and there are no new investors. M. Zurlo asked if David Kreutz was still with ERS. A. Staulcup advised that D. Kreutz was no longer with ERS. C. Canada advised that the ERS application will need to be updated to reflect these changes. A. Staulcup also advised that ERS has sold the southwest parcel of land to the Village of Rouses Point. This is where the Village plans to construct their water purification plant. However, the cost to construct this plant has increased by two million dollars since it was originally planned. Currently the Village cannot go forward until they raise the additional two million dollars. They are hoping to obtain some funding from the State of New York. C. Canada advised this change will also have to be addressed in their amended application with the CCIDA. M. Ryan asked C. Canada if the amended application would have to go through the approval process again. C. Canada advised that ultimately that decision would be up to the CCIDA Board, but as far as he was concerned, that would not be necessary.

M. Zurlo asked if there was a connection between the two partners/shareholders that are no longer with ERS and the "problem" tenant. A. Staulcup advised that they did have involvement with that particular tenant. M. Ryan asked if there is a plan in place to ensure that what happened previously will not happen again. A. Staulcup

advised that there was a plan in place. He stated the Village is amending the crypto law to include a provision that a large consumer of power in the Village would be liable if the Village goes above their allotted amount and the responsible company would have to cover the cost of the supplemental power used. This provision is currently being drafted. A. Staulcup advised that they would like to start work on the project as soon as possible and the only hindrance they have is the impending winter weather. A. Staulcup advised they have met with the Village Electric Linemen to start the planning process of running power to the lot where the hydrogen manufacturing plant is planned and they are working to obtain a feasibility study. A. Staulcup indicated that he is the point of contact for ERS and the CCIDA should feel free to contact him at any time.

Once A. Staulcup left the meeting, M. Ryan advised that she will contact the Village directly and discuss the ERS project and report back to the Board at the next meeting. D. Hoover advised that these discussions should include the proposed hydrogen manufacturing facility and its projected power consumption which will be significant, and ensure that the revised power consumption law covers all large energy consumers and not just consumption associated with crypto mining. C. Canada advised that he will hold-off on drafting the amended application until he receives the go-ahead from M. Ryan after her discussion with the Village of Rouses Point's Mayor and/or Village Administrator. T. Trahan asked C. Canada if there was any limitation on how long we can keep this Project open before we have to restart the process. C. Canada advised that he does not see any need to restart the process at this point; however, if we encounter further signification delays or problems, we may want to reconsider.

PARIS Reporting

M. Ryan extended her thanks to S. Wagner for her assistance in getting the 2021 PARIS reports corrected and resubmitted. M. Ryan indicated that most of the issues involved incorrect information that was received from the Projects. C. Canada suggested that the letter sent to the Projects requesting their accounting information be updated to better explain what information is required.

AES (Formerly Noble) Wind Projects

M. Ryan advised that she has been contacted by AES regarding their plans to upgrade their Wind Projects located in Altona, Clinton and Ellenburg by increasing the height of the towers and adding larger propellers. AES may be interested in applying for new PILOT agreements with the CCIDA. M. Ryan advised that AES is currently renegotiating their host community agreements with the Towns.

Roundtable Discussion on Bond Financing

M. Ryan advised that she has contacted the North Country Chamber of Commerce to obtain a list of bankers who might be interested in attending a roundtable discussion on bond financing opportunities available through the CCIDA and CCCRC. M. Ryan is looking into possible dates and locations. C. Canada advised that a representative from Hodgson Russ will participate in the roundtable discussion.

CCIDA Strategic Planning Session

M. Ryan advised that she contacted T. Meron about using a conference room at the Comfort Inn at a discounted price for the strategic planning session. M. Ryan also contacted M. Mack, Executive Director of the New York Association of Training and Employment Professionals (NYATEP) to possibly facilitate the session. It looks like most everyone is available the second week of January 2023 but M. Ryan will work to find a date that works for everyone as it is important that all board members participate. M. Ryan also suggested that after the planning session, the CCIDA Board host an "after-hours reception" for local business leaders to provide them an opportunity to meet the CCIDA Board members and learn what the CCIDA has to offer.

There being no further business to discuss, on a motion by D. Hoover, and seconded by J. VanNatten, the meeting was adjourned at 1:32 p.m.



Trent Trahan, Chairperson