

**Minutes of the  
County of Clinton  
Industrial Development Agency  
February 12, 2024**

The meeting was called to order by David Hoover, Vice Chairperson, at 12:06 p.m. at the County of Clinton Industrial Development Agency (CCIDA) office located at 137 Margaret Street, Suite 208, Plattsburgh, New York.

MEMBERS PRESENT:           David Hoover, Vice Chairperson  
                                      Mark Leta, Assistant Secretary  
                                      John VanNatten, Member  
                                      Joey Trombley, Member

EXCUSED:                       Trent Trahan, Chairperson  
                                      Keith Defayette, Treasurer and Chief Financial Officer  
                                      Michael Zurlo, Secretary

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

OTHERS PRESENT:           Patrick Murnane, Sr., Connecticut Avenue Holdings, LLC  
                                      Michael Murnane, Connecticut Avenue Holdings, LLC  
                                      Dean Schneller, Esq., Counsel for Connecticut Avenue Holdings, LLC  
                                      John Gokey, General Manager, Saranac Power Partners, L.P.  
                                      Kevin MacLeod, Esq., Counsel for Saranac Power Partners, L.P.

D. Hoover stated there was a quorum present.

D. Hoover waived the reading of the notice of the meeting published in the *Press Republican* on December 13, 2023.

**Presentation:** None

**Approval of the Minutes of the January 8, 2024 Meeting**

D. Hoover asked if there were any questions regarding the draft minutes of the January 8, 2024 meeting of the County of Clinton Industrial Development Agency (CCIDA). There were none.

On a motion by J. Trombley, and seconded by M. Leta, it was unanimously carried to approve the minutes of the January 8, 2024 CCIDA meeting as presented.

**Public Comment**

There was no public comment.

## **Reports**

### **Treasurer's Report:**

M. Leta reviewed the January 2024 Treasurer's Report. There were no questions or concerns.

On a motion by J. VanNatten, and seconded by J. Trombley, it was unanimously RESOLVED to approve the January 2024 Treasurer's Report as presented by M. Leta.

### **Old Business**

There was no old business to report.

### **New Business**

#### **Catalyze Pombrio Solar Farms 1 & 2 Microgrid, LLC Projects**

The Public Hearings for the Catalyze Pombrio Solar Farms 1 & 2 Microgrid, LLC Projects were held on February 8<sup>th</sup>, 2024. M. Ryan reported that Larry Ross, Deputy Town Supervisor, and Sandra Dykstra-Sayyeau attended both Public Hearings. There were no comments regarding either Project.

On a motion by M. Leta, and seconded by J. VanNatten, it was unanimously carried to approve the minutes of the Catalyze Pombrio Solar Farms 1 & 2, LLC Public Hearings which were held on February 8, 2024.

#### **Invenergy/Bull Run Energy, LLC Project Update**

M. Ryan was advised by Ryan Hicks-McCann that Invenergy is currently focusing on submission of their 94C Permit Application. R. Hicks-McCann also advised that Bull Run Wind had hoped to receive notice of an award for New York State Energy Research and Development Agency's (NYSERDA) request for proposal (RFP) for 2022, which would have provided commercial certainty to advance their local agreements, including negotiation of the PILOT agreement for the Project. Unfortunately, Bull Run Wind was not awarded a contract and they are currently preparing to bid the Project in NYSEDA's anticipated 2024 solicitation. The Project anticipates receiving an answer from NYSEDA in the 3<sup>rd</sup> or 4<sup>th</sup> Quarter of 2024. C. Canada advised that this may delay the anticipated closing on this Project.

#### **Saranac Power Partners, L.P. Project Update**

John Gokey, General Manager, Saranac Power Partners, L.P. and Kevin MacLeod, Esq., Counsel for Saranac Power Partners, L.P. provided the CCIDA with an overview of the proposed extension of their PILOT agreement for an additional five (5) years. K. MacLeod explained that Saranac Power Partners has three sources of revenue: electricity sales, steam sales directly to Georgia-Pacific and indirectly to Pactiv via Georgia Pacific, and natural gas transportation to New York State Electric and Gas (NYSEG) and Georgia-Pacific (GP). It was further explained that unless the PILOT is extended, Saranac Power Partners would not be able to remain in business.

J. Gokey advised that he has been General Manager at the company for the last 9 years, and employed at the plant for a total of 30 years. He advised that the plant currently has 17 full-time employees. Saranac Power Partners is the sole supplier of steam to GP, and GP has a contract with Pactiv to provide steam for their manufacturing operations and to heat their buildings. J. Gokey advised that Saranac Power Partners provides a reliable energy source to both companies. Saranac Power also provides natural gas to NYSEG who is the distribution company for all of Clinton County and GP. J. Gokey advised that extending the current PILOT agreement will provide some certainty to their business and provide stability relative to their tax obligations and

variability. J. Gokey stated that if free cash flow exceeds \$4.8 million dollars, the Company's tax payment would revert back to what it was in the previous PILOT agreement. This would mean the current payment of \$273,000 would increase to \$420,000, which is a significant increase. J. Gokey advised that the Company contracts with local businesses for work at the facility, which in 2023 amounted to over \$600,000 in materials, services, rentals, repairs, etc.

M. Ryan advised that she was asked by the CCIDA Board to contact both GP and Pactiv relative to their reliance on Saranac Power Partners. M. Ryan was unable to reach anyone at Pactiv but she did speak to someone at GP who indicated that in the event Saranac Power Partners is unable to supply them with steam, they would have to shut the facility down. The GP company representative expressed their support for this PILOT extension.

J. Gokey advised that there is a Host Community Agreement (HCA) with the Town of Plattsburgh for an annual payment \$182,000 which was a condition of the previous PILOT extension. In this agreement, Saranac Power Partners agreed to the HCA payment for three years, however, the Company has voluntarily extended every year since then, including 2023. This payment was extended with the stipulation that the Town would not challenge Saranac Power Partners' \$32 million dollar property assessment.

C. Canada advised that since extending the PILOT agreement for another five years would amount to real tax abatements amounting to over \$100,000 in financial assistance, the CCIDA is required to hold a Public Hearing. Also, a PILOT Deviation Notice would need to be sent to the taxing jurisdictions 30 days prior to the CCIDA voting on an approval resolution to extend the PILOT agreement. C. Canada advised the current PILOT expires at the end of March 2024. The CCIDA Board has already approved a resolution to hold a Public Hearing as well as send out the PILOT Deviation Notice, so if the Board decides to go forward with the PILOT extension, the public hearing can be scheduled and the PILOT deviation notice can be sent out. This timing will allow for the 30-day review period prior to the next CCIDA Board Meeting scheduled for March 18, 2024.

M. Ryan advised that if the property were to go back on Roll Section 1 at the current appraised value of \$32 million, the Company would pay \$650,000 in taxes versus \$273,000 with the PILOT. This represents a significant increase.

M. Leta asked what the Company predicts the independent system operator (ISO) capacity pricing will be over the next six months as well as over the next five years. J. Gokey advised that ISO pricing has been increasing over the last several years. As far as reliability backfill calls to the grid, they anticipate that once the current transmission line upgrades are completed, Saranac Power Partners will only be called upon to run for spans of a few hours rather than for time spans consisting of days on a 24-hour basis. As for the capacity market, that is an unknown at this point. J. Gokey explained there are other new risks to Saranac Power Partners including the increase in land-based large-scale renewable energy awards being made by the State of New York. Renewable energy generation additions will reduce energy prices creating uneconomic market conditions for Saranac Power Partners. The transmission line upgrades are being completed to support the increase in solar and wind generated energy. Once in place, this will further reduce the reliability calls to Saranac Power Partners.

M. Ryan asked the Project if they have had any conversations with the Beekmantown School District. K. MacLeod advised that he has only spoken with the attorneys for the school district and the Town of Plattsburgh and he provided them with the same information that has been presented to the CCIDA. M. Ryan advised that James Coffey, attorney for the Town of Plattsburgh, has requested the CCIDA have a discussion with all of the stakeholders. M. Ryan stated that if the CCIDA decides to go forward with the requested PILOT extension, she will arrange this meeting prior to holding the public hearing.

M. Ryan asked for the Board's consensus regarding moving forward with the PILOT extension. The Board agreed to go forward with the PILOT extension. M. Ryan advised she will schedule the public hearing and have the PILOT Deviation Letter sent out as soon as possible.

### **Beekman Towers Preservation, LLC Project Update**

M. Ryan advised that New York State's Division of Housing and Community Renewal (NYS HCR) has modified their policy regarding what Section 8 housing qualifies for housing tax credits and precludes them from utilizing bonds from IDA's on existing housing projects. C. Canada advised that since Beekman Towers Preservation is the renovation of an existing housing project, it is no longer eligible to use IDA bond funding. M. Ryan indicated that IDA's throughout the State are working with the New York State Economic Development Council to reinstate eligibility for IDA bond funding for Projects such as Beekman Towers.

### **Connecticut Avenue Holdings, LLC Project Update**

M. Ryan advised that SterRx is the sole tenant of Connecticut Avenue Holdings, LLC, and last year SterRx announced that they had been sold and operations at their Plattsburgh location at Connecticut Avenue Holdings would cease. In July 2021, Connecticut Avenue Holdings (CAH) received a PILOT agreement from the CCIDA. The PILOT agreement included employment level obligations. Hodgson-Russ subsequently sent Connecticut Avenue Holdings a letter indicating that without their tenant, SterRx, they would not be able to meet their employment level obligations associated with their PILOT agreement. M. Ryan advised that she invited representatives from Connecticut Avenue Holdings to explain to the CCIDA Board what actions they are taking relative to the impending departure of SterRx from their facility.

M. Ryan welcomed Patrick Murnane, Sr. and Michael Murnane, the owners of Connecticut Avenue Holdings, LLC, and their company counsel, Dean Schneller, Esq. to the meeting.

D. Schneller, Esq. advised that in January 2024, CAH received a letter from the CCIDA's counsel regarding the default and recapture events which could potentially occur as the result of the departure of SterRx. D. Schneller stated that CAH had constructed a 60,000 square foot industrial building and entered into a 10-year lease agreement with SterRx. D. Schneller stated CAH had upheld the terms of their PILOT agreement, all lender obligations, as well as the lease. Unfortunately, in the summer of 2023, SterRx and their parent company Sagent, were purchased by another foreign entity and the announcement was made that the SterRx facility in Plattsburgh may be shutdown. D. Schneller advised that this announcement came as a great surprise to CAH, as well as to State and regional authorities. D. Schneller stated that contrary to what was stated in the letter from Hodgson-Russ, SterRx remains in possession of the building and has been making rental payments to date, and some SterRx employees remain working at the site. D. Schneller advised that SterRx's future occupancy of the building remains uncertain.

D. Schneller advised that according to CAH's annual report to the CCIDA for the year 2022, there were 30 full-time employees, as well as 65 part-time construction-related jobs at the site. The future employee levels at SterRx are uncertain. D. Schneller indicated that this is a "live" situation and SterRx has not committed to any definitive course of action. In the likely event that SterRx vacates CAH, D. Schneller assured the CCIDA that CAH will pursue all reasonable efforts to re-let the space. D. Schneller indicated that considering the limited inventory of new, high quality industrial space in the area, CAH is confident that a new tenant will be identified and that the employment goals will be met and potentially even exceeded.

D. Schneller stated that the CCIDA's goals and the Company's goals are very much aligned and their success requires the continued support and assistance from the CCIDA. D. Schneller advised that the Company would like to express its willingness to collaborate and commits to transparency and an open dialogue with the CCIDA, and asks for the CCIDA's patience as they deal with the uncertainty of the situation. D. Schneller requests a waiver of the imposition of any recapture efforts by the CCIDA at this time and for a reasonable amount of time going forward.

M. Ryan asked if CAH had any plans to list the property and if they were working with the North Country Chamber of Commerce or CDC Real Estate (CDC). P. Murnane advised that they are seeking opportunities to sub-let the property and they are working with CDC to market the property. P. Murnane stated that it is a beautiful facility that was built by local workers. P. Murnane expressed his appreciation to the CCIDA for their support and indicated it was very instrumental to the Project. Having a PILOT in place will be a plus for any potential occupant of the property.

J. Trombley asked how many years remain on the ten-year lease. D. Schneller advised that eight years remain and that there was a strong lease agreement in place. P. Murnane stated that even if the Company continues to pay their lease, they will not be meeting the employment commitments contained in the PILOT agreement. M. Murnane indicated another challenge is that the building was built specifically to meet the unique needs of SterRx and any future tenants might not need the enhancements and thus not be willing to pay the higher rent that such a building should command.

C. Canada advised that the CCIDA is not required to claw back benefits in this situation and the language is written that if the Company is working with the CCIDA to meet their obligations, there is some flexibility.

J. VanNatten suggested the CCIDA request CAH to provide a quarterly update, in writing, outlining what efforts have been undertaken to market the property. J. VanNatten indicated this would provide some documentation for the CCIDA files. M. Ryan indicated she will make a note of this requirement in the PARIS report.

C. Canada presented to the Board a verbal resolution stating CAH will be required to provide the CCIDA with a quarterly report outlining the status of the property and what actions have been taken in that quarter to market the property. The first report will be due April 1, 2024. On a motion by J. VanNatten, and seconded by D. Hoover, the resolution as stated by C. Canada was unanimously passed.

### **AES/Noble Update**

C. Canada stated that last year, the PILOT agreements for the Clinton Windfarm and the Ellenburg Windfarm expired. However, the taxing jurisdictions had budgeted for one final PILOT payment. An agreement was reached with the taxing jurisdictions whereby an extra payment would be made by AES in the amount of the previous PILOT payment. AES indicated that it was their intention to submit applications for new PILOT agreements for these two Projects as well as the Altona Windfarm Project in the 3<sup>rd</sup> Quarter of 2024. The PILOT agreement for the Altona Windfarm expired last year. Clinton County, the Town of Altona, and the Northern Adirondack School District are currently negotiating with AES for a similar payment arrangement. There was some question as to when the PILOT payments for this Project commenced with the Town of Altona indicating that they had only received 14 PILOT payments. J. Odell of the Clinton County Treasurer's Office has subsequently reported that 15 PILOT payments have, in fact, been made.

M. Leta asked if any notification is made to taxing jurisdictions alerting them when PILOT agreements are due to expire. C. Canada advised that New York State law requires IDA's to notify taxing jurisdictions two years in advance of a PILOT agreement expiration date.

### **Clinton County Update**

M. Ryan provided a brief Clinton County update which included the following:

- The County is awaiting decision from Empire State Development (ESD) regarding FAST New York applications. ESD has indicated that the County has a strong application. If received, the funding will be used to finish the roadway at the former Clinton County Airport.

- The County is working with Breeze Airways to help market their higher priced seats. The airway is working with Volaire to market in the metropolitan Montreal area.
- BETA Technologies anticipates beginning construction within the next six months.

### **Management Team Report**

- M. Ryan advised that the CCIDA will no longer be using GoToMeeting to record meetings as the platform does not store the meeting recordings long enough to meet State requirements. Going forward, CCIDA meetings will be recorded via Zoom.
- Boire Benner has launched a YouTube channel for the CCIDA. They are also setting up some targeted marketing.
- Potentially at the March 2024 CCIDA meeting, the Workforce Development Partnership would like to discuss a potential partnership to help spearhead some workforce development activities.

There being no further business to discuss, on a motion by J. Trombley, and seconded by M. Leta, the meeting adjourned at 1:10 p.m.

  
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David Hoover, Vice Chairperson