

**ECONOMIC DEVELOPMENT/PLANNING/
RECREATION, FORESTRY AND PARKS COMMITTEE MEETING
October 16, 2018**

PRESENT: Legislators Larry Dolhof, Ron Burns, Jerry King and Randy LaChausse, County Manager Ryan Piche, IDA/Economic Development Director Eric Virkler, Planning Director Frank Pace, Planner Casandra Buell, Recreation and Forestry & Parks Director Jackie Mahoney.

Legislator Burns called the meeting at 8:30 a.m.

Legislator LaChausse made a motion to approve the 9/18/18 meeting minutes, seconded by Legislator Burns and carried.

The following dockets were approved:

- 1-Appropriate Pratt Northam Careers Here Program funds for trail maintenance personnel expense-\$6,317.36
- 2- SEQRA review of Runnalls-Bauer property in Town of Leyden to be added to Trail System
- 3-Incorporate the Runnalls-Bauer property into the Trail System
- 4-Agreement w/WWNYTV 7 News/Fox 28 for integrated media plan to promote bus transportation
- 5-Agreement w/Tome Teachers Federal Credit Union for bus curbside advertising-\$480.00
- 6-Appoint Michael Kaido to Planning Board 1/1/19-12/31/21

In response to Chairman Dolhof, Casandra Buell reported that the \$5,000 revenue from bus advertising this year was used for the Mohawk Valley Pictures to produce commercials to be used for various media outlets to promote the bus system, and to update the bus routing map.

Economic Development Director Eric Virkler

Eric reported the business park initiative is temporarily on hold, because of the Planning Board/Town of Lowville continue to impede progress.

He reported a balance of \$745,424 in the economic development community projects account. The IDA plans to close on the Climax Mfg. building at the 10/17/18 auction and pay the balance of \$645,000 for the purchase. There are two known bidders. Plans include preparing for snow plowing, water flow inside the building, minor roof repair and to assure overhead doors are air tight. Carthage Specialty Paper is expected to continue their 2 year lease for warehouse space. The building will be marketed for interested business tenants.

Chairman Dolhof inquired whether the Climax building could accommodate the motor vehicle department. Eric stated there is 10,000 sq. ft. of office space that could be effective for DMV. He supposed a drive-thru window could be installed. If the County chooses to pursue this option, Eric posed that ingress/egress issues be analyzed to consider higher traffic volumes.

Eric reported that short-term financing of \$500,000 may be considered to finance roof repairs and other renovations. The Climax building is a total of 160,000 sq. ft. of which 20,000 is potential office space.

In response to Legislator Burns, Eric reported that Carthage Specialty Paper pays \$15,000/mo. for warehouse space. Another tenant pays \$3,000/mo. The financial forecast for the building projects positive cash flow. There is \$1 million debt for the facility. The prior owner negotiated the lease agreement with Carthage Specialty Paper, and as part of the acquisition they will be afforded the reduced lease amount for the remaining two years of the agreement. The \$15,000 lease is for common area costs such as taxes, insurance and electric expense. The new owner was to retain this same deal.

In response to Legislator King, Eric stated that the heating system is old, but is functioning properly. The owner has continually maintained the heat.

Eric recited progress on the Denmark, Deer River and Maple Ridge wind projects per the attached. County, Town and school district stakeholder representatives have submitted a proposed renewal PILOT agreement for the Maple Ridge wind project. The IDA Board of Directors will review and inform their decision within 2-3 months.

Ryan Piche asked the Committee's recommendation or input on Legislator Kulzer's proposed elimination of the economic development department and/or the de-linking of the IDA and Economic Development Director. The issue is on the 10/18/18 budget workshop agenda. Legislator Burns inquired the downside if approved. Ryan stated that Eric provides oversight of both the IDA and Economic Development. Every County allocates economic development funding either through a County department or their IDA, and wholeheartedly believes there should be a commitment to economic development. The County covers 50 percent of Eric's salary and benefits, \$20,000 for marketing and \$2,500 for miscellaneous supplies.

Eric stated that the IDA was formerly administered independently from the County. For the past 3-4 years there have been combined efforts. Even if the Board chose to separate the IDA from the County he favors continuing the partnership for a County investment in economic development. Counties, he said, most generally allocate a block contribution to their IDA.

Chairman Dolhof commended Eric's leadership, strongly advocating for the County to financially support economic development. If not, he fears a downward spiral back to the non-productive days prior to Eric's involvement. Eric provides a long-term outlook and the relationship keeps activity on the Legislator's radar to know where monies are expended. He referenced current tremendous criticism, while expressing great improvement with economic development efforts. If the Board separates all ties, he fears criticism would worsen. Chairman Dolhof termed the relationship a "bridge" that needs to be kept in place.

Legislator King referenced the money expended for the industrial park, yet there is no park. Moreover, he insists that the Lewis County Development Corporation pay back all the County monies allocated heretofore. He does not object to County appropriations to the IDA, but feels the agency should operate independently.

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Ryan Piche submits there would be no savings, reiterating that every County supports their IDA with some level of funding.

Legislator King invoked there should be a clear separation of the IDA from the County. Ryan Piche reminded that a Legislator is a voting member of the IDA Board and that he also attends monthly IDA meetings as a standard administrative function to keep abreast of economic development and promote collaborative efforts. County Attorney Joan McNichol relayed speaking with the NYS Comptroller about the combined 50-50 relationship for the Director's salary, without indication of any problem, asserting a proper distinction exists.

Planning Director Frank Pace - reference the attached report for County Projects.

Soil & Water/Flood Mitigation – FEMA has now released funding for the Constableville wastewater treatment project.

Advanced Educational Program – Frank reported that all contractors are working at the site, encompassing about 70 men. 160 yards of concrete was poured today, the water is running, and 3-phase electric will be installed. The natural gas line changes have been approved by NYSEG for an additional \$3,500.

Community Outreach Program – Frank regularly attends the Healthcare Workforce Development meetings that encompass JCC and BOCES representatives. Samaritan Medical Center had a large number of Nursing Assistants (NA's) that were performing as C.N.A.'s, with an assumption that they were certified. When the facility realized this, they terminated many NA's, creating a substantial need for replacement C.N.A.'s. The educational institutions are focusing on the terminated NA's to encourage them to further their education for certification to provide a much needed candidate pool.

Chairman Dolhof informed of a financial advisor and engineer acquaintances, each who had offered to teach a course in their specialty fields. Frank Pace will gladly relate the information to JCC representatives for details on how to set up the teaching opportunities. It was similar with Barry Widrick who had provided apprenticeships for low-voltage electrical instruction to support farmers.

JCC representatives plan to present a programmatic curriculum to Legislators in the near future.

County of Lewis
Economic Development Report
Eric J. Virkler
October 16, 2018

Work in Progress

- **Business Park:** Limited activity on this project. We did recently meet with the Village of Lowville to ensure the water and wastewater allocation is still in place and were provided a positive response. The LCIDA has made an annual option payment to the property owner to ensure the right to acquire the parcel is still locked in.
- **Economic Development Funding:** The balance of the fund at September 30, 2018 is \$745,424. A summary will be attached with this report.
- **Wind Projects:**
 - The Denmark project is in construction and expected to be completed later this year.
 - Deer River has completed primary PILOT negotiations with Lewis County taxing jurisdictions. This project does cross into Jefferson County and the company is continuing discussions with that community. This project would be scheduled for construction in 2020 and beyond.
 - Maple Ridge Wind tax jurisdictions have reached a tentative agreement with the company and are seeking confirmation of this agreement from their respective boards. The LCIDA has initiated PILOT review and approval process.
- **Climax Manufacturing:** We believe it is possible to wrap up this acquisition later in October. The lien hurdles have been cleared as part of the bankruptcy process for Carthage Specialty Paper. The LCIDA is waiting for instructions from attorneys to proceed with a property closing. The economic development reserve fund will be utilized to complete the purchase.
- **Regional Economic Development Council.** The North Country Council wrapped up its process and submitted its annual report to NYS. One Lewis County project for Omniafiltra was selected as a priority project.
- **Rail Corridor.** We have continued to engage the owner of the rail corridors to determine the potential to acquire certain sections for potential future use for recreation or other purposes.
- **Business Leader Breakfasts.** A very successful breakfast with approximately 70 participants was held on September 19th. The next breakfast is planned on November 14th at the Ridge View Restaurant. This event will focus on manufacturing companies and also have an interactive exercise on lean decision-making techniques.
- **Manufacturer's Day.** Our office has again been coordinating activities for this event in partnership with Jefferson and St Lawrence County economic development and Jeff/Lewis BOCES. The event has grown tremendously. All Lewis County high schools as well as Adirondack are participating. Students will visit six different manufacturing companies in Lewis County to learn about careers in this industry.

Lewis County IDA Updates

- Wind / Solar
 - As noted above the LCIDA has initiated the PILOT review process for Maple Ridge wind farm. It is expected this agreement will be completed within the next two to three months.
 - LCIDA has also been involved in the negotiations for Deer River wind project. We also expect Number Three wind project to begin PILOT discussions early in 2019.
 - One developer has five active solar project applications submitted to the LCIDA. As reported in past months, we have worked with the affected taxing jurisdictions to develop a standard agreement for tax incentives for these small scale solar projects.
- The LCIDA is seeking additional bank financing to assist with repairs and improvements for the Climax building. This financing will be secured by a mortgage on the building and will be drawn upon as needed. The pro forma budget for the building reflects a sustainable model to provide lease rental to allow for future debt payments.

Lewis County Development Corporation Updates

- Lyons Falls mill: The final phase of the project has begun. Work is expected to continue as long as possible this season and then be completed in the middle of 2019. The LCDC is continuing to seek additional funding sources but expects to complete the necessary work with the current funds committed.
- The LCDC has signed a lease with an individual to start a new business. This individual intends to complete building renovations and hopefully begin production later this year.

Time and Budget Report

- August 2018 time summary for IDA, LCDC and County activity is available and can be provided upon request.

Meetings

- LCIDA meeting
- Wind and solar project meetings (3)
- North Country Alliance
- Business Leaders Breakfast
- Regional Council meeting
- Meeting with private business (2)

Mandates / Regulations

- Nothing new at this time.

Lewis County Economic Development

DRAFT

ED Reserve Activity

October 2018

<u>Project</u>	<u>Budget</u>	<u>2016-17 Actual Expenditure</u>	<u>2018 Expenditure</u>	<u>Expended To Date</u>	<u>County Reserve Committed</u>
Business Parks					
Land Options	5,000	5,000	5,000		
General Consulting	20,000	16,908			
Environmental and Engineering	60,000	44,391	3,891		
Land Acquisition	700,000				
Phase 1 Construction	465,000	250			
Total	1,250,000			75,190	
Lyons Falls Mill					
Demolition	200,000	100,000		100,000	
Lyons Falls UCP Project					
Funding assistance for infrastructure		16,208		16,208	complete
Economic Development Operations	50,000				
Other Prospective Projects					
Climax Building	1,463,000		163,178	163,178	645,000
TOTALS		<u>\$ 182,757</u>	<u>\$ 172,069</u>	<u>\$ 354,576</u>	<u>\$ 645,000</u>
Beginning Balance		2016 Allocation		\$700,000	
		2017 Allocation		\$400,000	
Remaining Balance				<u>\$745,424</u>	
Unallocated, Available for other Projects					<u>\$100,424</u>