

Lewis County IDA

Finance Committee Meeting

November 27, 2018

8:00 AM

Meeting Minutes

Attendance: Jared Thisse, Tina Schneider, Ron Burns, Gagan Singh (phone), Cheyenne Steria, Tim Petersen, Eric Virkler, Kevin McArdle

Economic Development Reserve: Discussion around when and for what it would be appropriate to ask the County for another allocation to this account. General consensus that a specific project should be the focus for any ask. The Reserve was used to purchase the Center for Business. The \$135,000 ESD grant transferred from the Commerce Park to fund this purchase will take at least 6 months to be realized and the Line of Credit safety net has been slow to evolve. There is no immediate cash need, but positioning the IDA to react quickly is desirable. Potential future needs for the reserve fund: Harrisville HDK property, Black River Valley Naturals.

Center for Business: A co-working space was discussed in conjunction with IDA and Chamber relocating to the Center for Business. Staff presented a pro-forma to describe the impact of this concept versus leasing the space to a third party. Tina cautioned that the IDA shouldn't overextend our role. Perhaps another entity should provide the co-working benefits. Consensus was that IDA staff should do outreach to identified committed co-working tenants, and also look for a tenant for the current IDA office, facilitating a move with little financial impact. A map of the front office with various "for rent" areas called out with pricing could assist in this. The Board members inquired on the necessary steps to firm up the Chamber's participation in the move. Board members noted that there is intangible value in the IDA being in the building and that since the building was purchased outright any rent is positive.

Dues Requests: The IDA has received correspondence from the FDRLO and ANCA requesting the IDA become a member. The County is a member of both organizations, but the IDA is not. Tina questioned what we would get out of the membership. Director Eric Virkler stated the benefits to the LCIDA might be limited. Ron wondered if there were political implications to not belonging. It was noted the IDA has not been a member in the past so we would not be discontinuing membership, Eric noted the IDA has recently applied to partner with ANCA on a new program. Consensus is to pass on membership this year and revisit in the future.

Audit RFP: IDA Staff summarized the RFP process and responses. Consensus is to stay with the incumbent and low bidder, Bowers & Company. This will be an action item for the full board to approve.

Other:

Harrisville HDK Property: Eric described a new interest in the property from NYPA, who is doing project on power lines over the next 4-5 years and is seeking a staging area. Typical lease amounts for NYPA are 10% of the property's assessment per year, which could be in the range of \$30k/year. The IDA is a party to a complicated title issue with property, which Eric detailed. This property has potential for other economic development properties and Eric argued that having it available as IDA inventory has benefits. The current owner might not capitalize on the potential. Perhaps a creative agreement could be reached in order to let the property provide income (via NYPA) and clear the title issues. Board members cautioned against an arrangement that would be perceived poorly by the public and urged continued effort to engage with the owner. NYPA has a 3-4 month timeline to secure a staging area and prefers to work with a governmental entity.

Black River Naturals: Eric received communications from James Munn, owner of Black River Naturals, who has worked with the LCDC and is a tenant of the High Falls building in Lyons Falls. Construction costs have been more than anticipated and he needs \$50k to make final payments on equipment to become operational. \$75-100k would be better. The Board discussed loan funds and equipment purchase and lease back options. Timing is an issue for James. Board members asked the value of the equipment that hasn't been delivered yet and whether the business plan includes debt payments. The IDA may be somewhat limited since equipment is already on order.

Skewed: The JCIDA raised an issue with Skewed moving some equipment from Jefferson County to the Trinity Ave property because of a requirement of their agreements with Skewed. At last check Eric believed that issue would be resolved. LCIDA follow up with JCIDA

Adjourned at 9:43 AM