

CARTHAGE INDUSTRIAL DEVELOPMENT CORPORATION
MINUTES OF MEETING
MAY 28, 2014

Present: Robert Gormley, John McHugh, David Zembiec, James Wright, Bruce Armstrong, Wayne McIlroy, Tom Piche', Derek Davis, Terry Roch

Excused: Paul Smith, (Proxy to Mr. McIlroy), Terry Buckley, Mark Keddy

Others Present: Lori Borland, Admin. Asst.

Call to Order: President Gormley called the meeting to order at 4:16 p.m.

Open Forum: None

Minutes of the April 30, 2014 meeting were previously distributed and read. Motion made by Mr. Armstrong, seconded by Mr. McHugh, to approve the minutes as written. Motion passed unanimously.

Treasurer's Report:

- a.) and b.) The March financial reports, as prepared by Ms. Borland, were distributed and discussed. It was noted that the lease revenues are up this quarter and the price we received for power was nearly triple typical prices. It was noted that prices are going back down and the second quarter should be more in line with recent trends.. Nothing unusual was noted in the bills or deposits. It was noted that the lease with Northbrook is up in August or September of 2015 and we should pay more attention to the price we are receiving for our power as the deadline approaches. The Board received the current production and price report from Northbrook. Upon motion by Mr. Roche, seconded by Mr. Armstrong, the Treasurer's Report and payment of bills were authorized and accepted. Motion passed unanimously.
- b.) It was noted that the cost of having an accountant prepare the annual Financial Statement prior to audit was looked into for an estimate. M.R. Gaebel has given a quote of about \$1500 - \$2000 for preparation of the annual Financial Statements for both the Carthage Development Group, LP and the CIDC combined. A motion was made by Mr. Wright, seconded by Mr. Roche to engage the M.R. Gaebel accounting firm to prepare the annual Financial Statements for both companies prior to audit. Motion passed unanimously.

Old/New Business:

- a.) CDBG Grant Modification- It was noted that the CDBG grant for 2013 was awarded to the Village of Carthage in the sum of \$400,000, which will allow flexibility in the 253/255 State Street project. Mr. McHugh reported that the Carthage Area Housing rehabilitation Program Committee agreed to commit \$50,000 from the 2013 Grant award to the 253-255 State Street project. The board agreed that this will allow the project more flexibility on the front end. It will also allow the CIDC to complete the major structural improvements prior to winter and prior to renovating the 253 apartments.
- b.) 253/255 State Street Project – One of the milestones set by the State is that the property closing be done by June 30, in order for the funding to stay in place. We have been told that the bank is currently awaiting the appraisal from Don Coon in order to proceed. It was noted that the CIDC may need to make up the difference between the appraisal amount and the bank financing in order for the project to proceed. The Board should have a better idea of what this amount is at the next meeting. A Memorandum of Understanding between the Property Owners and CIDC was disbursed to the Board. The Agreement was developed with assistance from the CIDC legal counsel as part of prior Main Street Funded projects. The Agreement sets forth what the obligations of the property owner and the CIDC are within the context of the RARP Program. Upon motion by Mr. Wright, seconded by Mr. Roche, the Main Street Committee, consisting of Mr. Armstrong, Mr. Roche, Mr. McIlroy and Mr. McHugh was authorized to negotiate the terms of the Memorandum of Understanding with TLC Real Estate. It is noted that Mr. Piche' abstained from voting on this motion.

- c.) Braman Update: A Groundbreaking Ceremony took place on May 8 and was well attended. The Board noted that Special Counsel, Stephen Gebo, Esq., recommended that an appraisal be obtained on the property prior to disbursal in accordance with the CIDC disposition policy. Don Coon and associates was hired to complete the appraisal. His appraisal came in at a value of \$6,700 less demolition costs, which would exceed the market value of the property. As a result, the board concluded that the property is essentially worthless. Mr. Gebo will be working with the Village and Habitat to disburse the property once legal descriptions are completed and the Subdivision receives final State approvals. It was noted that the next meeting of local officials to discuss the installation of infrastructure at the site is scheduled for next week with the DPW, Aubertine and Currier, and Habitat for Humanity. It was also noted that there is a Habitat Dinner tonight at the Carthage Elks Lodge hosted by the 12 Honors Class of Carthage High School.

Next meeting: The next meeting will be on June 25, 2014 at 4:00 p.m.

There being no further business before the Board, a motion was made by Mr. Armstrong, seconded by Mr. Roche to adjourn. Meeting adjourned at 4:35 p.m.