

CARTHAGE INDUSTRIAL DEVELOPMENT CORPORATION
MINUTES OF MEETING March 2nd, 2011

Proxy: Urban Hirschey for Terry Buckley

Absent:

Excuses: Robert Gormley,

Others Present: John McHugh and Mike Astafan

Call to Order: Vice- President Urban Hirschey called the meeting to order at 4:21 p.m.

Minutes: **Motion** made by Mr. Piche, seconded by Mr. Roche, to accept the minutes of the January 26th, 2011 meeting, Motion carried unanimously.

REPORTS:

a. Main Street Grant Status

Mr. McHugh reported that we have received a one year extension on our Main Street Grant and all projects will need to be completed by February of 2012. It is not likely additional extensions will be granted. Mr. McHugh gave a brief report indicating that construction continued on the 246 State Street project. That the 237 State Street project has received multiple bids for all components of the project now and contracts will be awarded once a meeting of the property owner can be scheduled. Instant Imprints bids are coming in and we are hopeful contracts will be signed in late March/early April. He noted that the project specs are substantially complete for 249 and 251 State Street and SHPO clearance has been received lead, radon, asbestos testing is scheduled for mid March. It is still our goal to have the project out to bid by the end of March. Mr. McHugh also noted that he has not heard back from the new owners of the Entorcia buildings and is concerned they may have lost interest in the program. They were supposed to provide a preliminary scope of work concerning the heating system, roof and electrical improvements so we can initiate a memorandum of understanding and bidding specs for the project. He was encouraged to continue to reach out to the owners since the property is very important to downtown. It was noted that we will not be able to delay progress much longer. Mr. McHugh also reported that he and Mr. McIlroy will be meeting with National Grid later in the month. The goal is to finalize design options so the project can be bid in April/May. SHPO review is required.

Treasurer's Report

a. b. Financial Reports and Bills

Mr. McHugh gave his financial report, and distributed Profit and Loss Statement, Balance Sheet, Check Detail (bills), and Deposit Details for February. After review and discussion, **motion** by Mr. Roche, seconded by Mr. Armstrong to approve the financial report and pay the bills as presented. All were in favor.

EXECUTIVE SESSION

At this time Mr. Piche moved to enter executive session at 4:35 PM to discuss possible property acquisition negotiations. The motion was seconded by Mr. Armstrong and approved unanimously. At 4:50 PM Mr. Roche moved to close the executive session which was seconded by Mr. Davis and unanimously approved.

OLD/NEW BUSINESS

a. PAAA Certifications and Required Self Evaluation

Mr. McHugh reminded Board members that they needed to complete annual certifications if they had not already done so as required by PAAA. He also reminded them that they need to complete a self evaluation survey if they had not already done so. The results of the survey must be submitted to the Authority Budget Office within 90 days of the beginning of the fiscal year. Additional training may be necessary depending on the results of the survey. He made copies of the survey and certifications available for those members who had not yet completed them.

b.) Braman Property Status

Mr. McHugh reported that the County was completing the paperwork necessary to transfer the property to the Village. All agreements are in place to transfer the property to the Braman, LLC. once the property transfer to the Village is complete.

c.) West End Dam Hydro Facility

Mr. McHugh reported that based on the CIDC's Request for Proposals, the Hydro Committee has received three proposals for net, net, net leases; three proposals for shared ownership of the facility, and a few proposals to operate and maintain the facility for the CIDC. The Committee will be reviewing the proposals and conducting interviews as deemed necessary. It was noted that the proposals appeared competitive. The following companies have submitted proposals:

1. Burrows Paper Corporation
2. Northbrook Energy, LLC
3. Kruger Energy
4. Hydro-Kare, Inc. (O&M only- they are current operators of WED)

d.) Brady Property Agreement

Mr. McHugh reported that Independent Medical Evaluation Company, LLC has taken up occupancy of the building adjacent to our property on Riverside Drive along the Black River. The company has been around for about 5 years and has just moved into the new location. Based on a visual inspection, it appears that the company needs additional space for parking in order to successfully operate their

business. Mr. McHugh has discussed this matter with Mr. Farley, the CIDC attorney, and he suggested entering into a lease agreement with the company for use of our parcel 86.40-2-20 (Brady property) for parking purposes. Mr. McHugh made available copies of the proposed lease. The board members agreed that this was a good idea and that the business is a good addition to the community. Mr. Smith made a motion to approve the proposed Lease which was seconded by Mr. Piche and unanimously approved.

e.) West End Dam Shaft Replacement

Mr. McHugh reported that WEDA had agreed to repair or replace the shaft in Unit #2 of the West End Dam Hydro facility as part of the Lease termination agreement. The agreement required review of the WEDA's proposal by the CIDC engineers (currently Kleinschmidt). After extensive review and back and forth of WEDA Reps. and Kleinschmidt, the two entities remained in disagreement on the appropriateness of repairing the shaft. Kleinschmidt could not and did not endorse the WEDA proposal to repair the shaft and WEDA believed the repair was reasonable and defensible. After additional negotiations it was determined that the price difference between repairing and replacing the shaft was approximately \$100,000. WEDA has agreed to proceed with purchase and installation of a new shaft for Unit #2 if CIDC would agree to contribute \$75,000 toward all costs associated with acquisition and installation of the new shaft. Mr. Piche made a motion to contribute \$75,000 toward the cost of installing a new shaft in unit #2 of the West End Dam Hydroelectric facility upon the execution of an appropriate agreement as determined by CIDC legal council; and that the contribution will be made in two installments of \$37,500. The first contribution will be made after the new shaft has been ordered, and \$37,500 shall be contributed upon the successful installation of the new shaft. Mr. Hirschey seconded the motion which carried unanimously.

NEXT MEETING:

The next meeting of the board is tentatively scheduled for March 30th.

There being no further business Mr. Hirschey adjourned the meeting at 5:20 p.m.