

OGDENSBURG GROWTH FUND DEVELOPMENT CORP.

**APPROVED MINUTES FOR
SEPTEMBER 26, 2018**

Members Present: Scott Wright (Chairman), Sarah Purdy, Kim Demers, Dallas Sutton,
Michael Brashaw, Sean McNamara, Michael Tooley, Vernon ‘Sam’
Burns, and Sam LaMacchia
Members Absent: Gary Hammond, excused; Wayne Ashley, excused
Staff Present: Andrea Smith, Administrative Director; Tim Johnson, Chief Financial
Officer
Others Present: Marcia LaMay, Chris Frary, John Pinkerton, Partick Kelly
Press Present: None

ALL RECORDS ARE KEPT ACCORDING TO NYS STATUES BY THE
ADMINISTRATIVE DIRECTOR.

5:03 PM Chairman Wright called the regular meeting of the Ogdensburg Growth Fund
Board of Directors to order and asked if there was consensus to amend the agenda
to conduct appointments first. There was consensus among the Board to conduct
appointments first.

- 1) **Appointments** – Chairman Wright noted that we have two appointments, one is more
housing keeping as the Bridge and Port Authority Board of Directors has a new
chairman, Mr. Sam Burns.
Motion by Director Sutton to appoint Mr. Burns as the ex officio Director to the
Ogdensburg Growth Fund, 2nd by Director Demers.
Mr. Sutton noted that the numbers on the resolutions would need to be renumbered. Ms.
Smith made note that this resolution would be 004.

Mr. Sutton read the following resolution aloud:

**RESOLUTION TO APPOINT VERNON BURNS AS AN EX OFFICIO MEMBER
OF THE BOARD OF DIRECTORS**

Resolution No. 2018-004

BE IT RESOLVED, the Ogdensburg Growth Fund Board of Directors hereby
appoints Vernon Burns as an ex officio member of the Board of Directors, as the
Chairperson of the Ogdensburg Bridge and Port Authority Board of Directors.

1 **BE IT FURTHER RESOLVED**, that this appointment shall run coterminous with
 2 the terms of the position of Chairperson for the Bridge and Port Authority Board of
 3 Directors.

4
 5
 6 The question of adoption of the forgoing motion was duly put to vote on a roll call, which
 7 resulted as follows:

| Director | Aye | Nay | Abstain | Absent |
|----------------------------|-----|-----|---------|--------|
| Chairman Wright | X | | | |
| Director Hammond | | | | X |
| Director Sutton | X | | | |
| Director Brashaw | X | | | |
| Director Demers | X | | | |
| Director Tooley | X | | | |
| Hon. Director Purdy | X | | | |
| Hon. Director Ashley | | | | X |
| Hon. Director McNamara | X | | | |
| Hon. Director Vacant, OBPA | | | | |
| Vacant | | | | |

10
 11 On motion duly made by Director Sutton, and seconded by Director Demers, the motion received
 12 sufficient affirmative votes and is henceforth approved:
 13 7 Ayes, 0 Nays, 2 Absent, 0 Abstain.

14
 15 Chairman Wright noted that after the expiration of Mr. LaMacchia’s term with the Bridge and
 16 Port Authority as Chairman, he had talked with Sam about remaining on the Board. Chairman
 17 Wright added, that Mr. LaMacchia expressed an interest asked that the Board consider his
 18 appointment as an at large member.

19
 20 Director Brashaw moved to appoint Mr. Sam LaMacchia to the Board of the Ogdensburg
 21 Growth Fund, 2nd by Director Sutton.

22
 23 Director Brashaw read aloud the following resolution:

24
 25 **RESOLUTION TO APPOINT SAMUEL LAMACCHIA TO THE BOARD OF**
 26 **DIRECTORS**

27
 28 Resolution No. 2018-005

1 **BE IT RESOLVED**, the Ogdensburg Growth Fund Board of Directors hereby
 2 appoints Samuel LaMacchia to the Board of Directors to serve a four (4) year term to
 3 expire on December 31, 2022.

4
 5 The question of adoption of the forgoing motion was duly put to vote on a roll call, which
 6 resulted as follows:
 7
 8

| Director | Aye | Nay | Abstain | Absent |
|------------------------|-----|-----|---------|--------|
| Chairman Wright | X | | | |
| Director Hammond | | | | X |
| Director Sutton | X | | | |
| Director Brashaw | X | | | |
| Director Demers | X | | | |
| Director Tooley | X | | | |
| Hon. Director Purdy | X | | | |
| Hon. Director Ashley | | | | X |
| Hon. Director McNamara | X | | | |
| Hon. Director Burns | X | | | |
| Vacant | | | | |

9
 10 On motion duly made by Director Brashaw, and seconded by Director Sutton, the motion received
 11 sufficient affirmative votes and is henceforth approved:
 12 8 Ayes, 0 Nays, 2 Absent, 0 Abstain.

13
 14 Director LaMacchia expressed his gratitude to the Board for consideration and appoint to the Board.
 15

16
 17 **2) Approval of Previous minutes**

18 (a) March 22, 2018 – Motion by Director Purdy, second by Director Tooley.
 19 No comments, corrections, or deletions

20 On motion duly made by Director Purdy, and seconded by Director Tooley, the motion received
 21 sufficient affirmative votes and is henceforth approved:
 22 8 Ayes, 0 Nays, 2 Absent, 1 Abstain.

23
 24 Director Burns abstained having not been appointed to the Board at that time.
 25

26 **3) New Business** – Chairman Wright inquired if there was consensus to amend the agenda
 27 to discuss 119 W. River Street before discussing the loan requests. There was verbal
 28 consensus among the membership to amend the agenda to review the request from Mr.
 29 Frary regarding the Main Street lien on 119 W. River Street.

30 (a) 119 West River Street, Resolution 2018-006 – Ms. Smith stated that the property
 31 located at 119 West River Street received funding through the NYS Main Street
 32 Program, administered by the Growth Fund. The improvements are secured by a

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WHEREAS, all grants, covenants, terms, provisions and conditions protected by said lien run with the land binding all subsequent owners, encumbrances and tenants of the Premises; and

WHEREAS, said lien can be transferred to subsequent owners if and only if the new owner agrees to assume all grants, covenants, terms, provisions and conditions established by the original lien, alternatively, repayment of the grant will be calculated in accordance with the following schedule and repaid at sale or transfer:

- ~~Months 0-12: 100% repayment due.~~
- ~~Months 13-24: 86% repayment due.~~
- ~~Months 25-36: 72% repayment due.~~
- ~~Months 37-48: 58% repayment due.~~
- ~~Months 49-60: 44% repayment due.~~
- Months 61-72: 30% repayment due.
- Months 73-84: 16% repayment due.
- Months 85 and beyond: 0% repayment due.

WHEREAS, that At the Docks, LLC has agreed to assume all grants, covenants, terms, provisions and conditions of instrument R-2012-00016693 for the property at 119 W. River Street.

NOW BE IT RESOLVED, the Corporation authorizes the conveyance of instrument R-2012-00016693 with all covenants and conditions to At the Docks, LLC, the buyer of 119 W. River Street.

BE IT FURTHER RESOLVED that in accordance with the repayment schedule set forth in this instrument, the regulatory period of seven (7) years will expire on the 28th day of September 2019.

On motion duly made by Director Sutton, and seconded by Hon. Director Burns, the following resolution was placed before the Board of Directors of the Corporation:

| Director | Aye | Nay | Abstain | Absent |
|----------------------|-----|-----|---------|--------|
| Chairman Wright | X | | | |
| Director Sutton | X | | | |
| Director Hammond | | | | X |
| Director Brashaw | X | | | |
| Director Tooley | X | | | |
| Director Demers | X | | | |
| Director LaMacchia | X | | | |
| Hon. Director Purdy | X | | | |
| Hon. Director Ashley | | | | X |
| Hon. Director Burns | X | | | |

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|------------------------|---|--|--|--|
| Hon. Director McNamara | X | | | |
|------------------------|---|--|--|--|

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2 The motion received sufficient affirmative votes and is henceforth approved:

3 9 Ayes, Nays, Absent, Abstain.

4
5 **(b) Loans** – Chairman Wright stated there were two loans that required review and
6 asked if there was a motion to enter into executive session.

7 Motion by Director Purdy to enter into executive session for the purpose of
8 discussing confidential financial documents pertaining to the corporations seeking
9 loan funds. The Motion was seconded by Director LaMacchia.

10
11 All members consented to entering executive session 9/0 – the public meeting was
12 closed with a note that the meeting would be reopened to take any action resulting
13 from the discussion.

14
15 6:23 PM Motion by Director LaMacchia to end executive session, 2nd by Director Burns. All
16 members consented to ending executive session 9/0, all members remaining in attendance.

17
18 Chairman Wright noted there is a request for \$75,000 from Neil T. Bhatt Law Firm, located at
19 536 State Street in Ogdensburg.

20
21 Ms. Smith stated Neil T. Bhatt is amicably separating from the firm of Lekki Hill Duprey and
22 Bhatt to establish Bhatt Law Firm. The new firm will provide legal services in the following
23 areas: corporate, estate, estate planning, litigation – plaintiff, real estate, and bankruptcy. He
24 intends to add a partner in year 2 that specializes in criminal, family and immigration law. She
25 added that the Applicant is requesting a 7 year (84 month term) but does understand that the
26 Board may reduce this to a five year term in accordance with procedure. Ms. Smith noted that
27 the resolution has been prepared to reflect the request so if the Board does want to change the
28 term, the resolution will need to be amended.

29
30 Motion by Director Burns to accept the loan request from Bhatt Law Firm; and authorize a loan
31 of \$75,000 of which 80% will be submitted for reimbursement by Northern Border Regional
32 Commission RLF. The motion was seconded by Director Demers.

33
34 Director Burns read aloud the following resolution:

35
36 **RESOLUTION TO APPROVE LOAN REQUEST**
37 **BHATT LAW FIRM: 536 STATE STREET OGDENSBURG NY**

38
39 Resolution No. 2018-007

40
41 RESOLUTION OF THE DIRECTORS OF THE OGDENSBURG GROWTH FUND
42 DEVELOPMENT CORP. (i) ACCEPTING LOAN REQUEST FROM BHATT LAW
43 FIRM; AND (ii) AUTHORIZING A LOAN OF \$75,000.

44
45 **WHEREAS**, Ogdensburg Growth Fund Development Corp. (the “Corporation”) was duly established as
46 a not-for-profit local development corporation of the State of New York pursuant to the filing of a

1 Certificate of Incorporation on April 19, 1983 (the “Certificate”) in accordance with Sections 402 and
 2 1411 of the Not-for-Profit Corporation Law (“N-PCL”), such Certificate having been amended pursuant
 3 to a certain Certificate of Amendment to Certificate of Incorporation filed by the Department of State on
 4 September 13, 2012 under Section 803 of the Not-for-Profit Corporation Law; and
 5

6 **WHEREAS**, the Corporation has the authority to make low interest business loans in the spirit of
 7 economic development of the greater Ogdensburg area; and
 8

9 **WHEREAS**, the Business Review Committee met on September 19, 2018 at 9 AM to review the request
 10 with the Applicant and has recommended approval of the loan; and
 11

12 **WHEREAS**, Neil T. Bhatt is amicably separating from the firm of Lekki Hill Duprey and Bhatt to
 13 establish Bhatt Law Firm. The new firm will provide legal services in the following areas: corporate,
 14 estate, estate planning, litigation – plaintiff, real estate, and bankruptcy; the location of said Law Firm will
 15 be at 536 State Street, Ogdensburg, NY; and
 16

17 **WHEREAS**, the Neil T. Bhatt has requested a loan in the amount of \$75,000 for 84 months at 1/2 of the
 18 U.S. prime rate + 1, for working capital, renovations, and office furniture/equipment; and
 19

20 **WHEREAS**, the following agencies and banks are also contributing funds to this project: Massena
 21 Savings and Loan.
 22

23 **NOW BE IT RESOLVED**, that the OGF authorizes a loan to Neil T. Bhatt of Bhatt Law Firm in the
 24 amount of \$75,000 with the following contingencies:

- 25 1. Provide copy of executed purchase agreement with Old Firehouse, Inc. for the acquisition
 26 of 536 State Street;
- 27 2. Provide a copy of an update appraisal with a value of \$195,000 or higher on 536 State
 28 Street;
 29 a. Bank financing of \$125,000.
- 30 3. 2nd mortgage and assignment of rents and leases on 536 State Street/306 Jay Street;
- 31 4. 1st or 2nd lien position on all machinery and equipment, furniture and fixtures, inventory,
 32 accounts receivable and general intangibles.
- 33 5. Personal Guarantee of Neil T. Bhatt.
- 34 6. Corporate Guarantee of NT Bhatt Real Estate, Inc.
 35

36 **BE IT FURTHER RESOLVED** that the loan closing shall be contingent upon review and approval of
 37 loan documents by the Corporation’s Attorney.
 38

39 On motion duly made by Hon. Director Burns, and seconded by Director Demers, the following
 40 resolution was placed before the Board of Directors of the Corporation:
 41

| Director | Aye | Nay | Abstain | Absent |
|------------------|-----|-----|---------|--------|
| Chairman Wright | X | | | |
| Director Sutton | X | | | |
| Director Hammond | | | | X |
| Director Brashaw | X | | | |
| Director Tooley | X | | | |
| Director Demers | X | | | |

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|------------------------|---|--|--|---|
| Director LaMacchia | X | | | |
| Hon. Director Purdy | X | | | |
| Hon. Director Ashley | | | | X |
| Hon. Director Burns | X | | | |
| Hon. Director McNamara | X | | | |

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The motion received sufficient affirmative votes and is henceforth approved:
9 Ayes, 0 Nays, 2 Absent, 0 Abstain.

Chairman Wright stated there is a second loan request on behalf of North American Forest Group, Inc.

Ms. Smith stated that the Applicant is seeking \$300,000 which breaks down to a request of \$150,000 from the Growth Fund and \$150,000 from Northern Border Regional Commission, a cost share of 50%. Ms. Smith stated that she has discussed this project with Ms. Christine Frost from NBRC because the \$150,000 does exceed the self-imposed \$100,000 grant limitation as set forth in the NBRC application. Ms. Smith explained that NBRC requests an explanation to accompany the request, but they themselves do not have any fund restrictions other than the 80% which this request is within at 50%.

Ms. Smith went on to state that the total project is \$2,000,000 with funding partners including the IDA and DANC that will create 11 jobs in year 1 and 9 jobs in year 2 for a total of 20 jobs. The project includes the acquisition of 263 Acco Drive, a 143,370 SF facility and the accompanying 28 acres of land for the purpose of developing a sawmill and wood products warehousing and distribution facility. Ms. Smith stated the Applicant has requested a 15 year term, but that she is recommending a 10 year term that is consistent with past approvals of the Board.

Chairman Wright stated that a 10 year term would equate to 120 months and requested that the resolution be revised to reflect this as opposed to the 180 months that has been requested.

Motion by Director LaMacchia to accept the loan request from North American Forest Group, Inc.; and authorize a total loan of \$300,000 of which 50% will be submitted for reimbursement by Northern Border Regional Commission RLF and where the term is amended to 120 months. The motion was seconded by Director Purdy.

**RESOLUTION TO APPROVE LOAN REQUEST
 NORTH AMERICAN FOREST GROUP, INC: 263 ACCO DRIVE, OGDENSBURG NY**

Resolution No. 2018-008

RESOLUTION OF THE DIRECTORS OF THE OGDENSBURG GROWTH FUND DEVELOPMENT CORP. (i) ACCEPTING LOAN REQUEST FROM NORTH AMERICAN FOREST GROUP, INC; AND (ii) AUTHORIZING A LOAN OF \$300,000; (iii) LOAN FUNDS TO BE SHARED BETWEEN NBRC AND OGF.

1 **WHEREAS**, Ogdensburg Growth Fund Development Corp. (the “Corporation”) was duly established as
2 a not-for-profit local development corporation of the State of New York pursuant to the filing of a
3 Certificate of Incorporation on April 19, 1983 (the “Certificate”) in accordance with Sections 402 and
4 1411 of the Not-for-Profit Corporation Law (“N-PCL”), such Certificate having been amended pursuant
5 to a certain Certificate of Amendment to Certificate of Incorporation filed by the Department of State on
6 September 13, 2012 under Section 803 of the Not-for-Profit Corporation Law; and
7

8 **WHEREAS**, the Corporation has the authority to make low interest business loans in the spirit of
9 economic development of the greater Ogdensburg area; and
10

11 **WHEREAS**, the Business Review Committee met on September 19, 2018 at 9 AM to review the request
12 and has recommended approval of the loan; and
13

14 **WHEREAS**, North American Forest Group, Inc. (NAFG) proposes a \$2,000,000 project that includes
15 the acquisition of 263 Acco Drive, a 143,370 SF facility and the accompanying 28 acres of land for the
16 purpose of developing a sawmill and wood products warehousing and distribution facility; and
17

18 **WHEREAS**, this request is eligible for OGF Northern Border Regional Commission (NBRC) Revolving
19 Loan Funds in the amount of \$150,000 and \$150,000 from the Growth Fund loan account for a total of
20 \$300,000 as request by NAFG; and
21

22 **WHEREAS**, the NAFG has requested a term of 120 months at 1/2 of the U.S. prime rate + 1, for working
23 capital, renovations, and office furniture/equipment; and
24

25 **WHEREAS**, the following agencies and banks are also contributing funds to this project:

| | | |
|----|---------------------------------------|---------|
| 26 | St. Lawrence Co. IDA LDC | 400,000 |
| 27 | DANC Redevelopment Fund-Loan | 200,000 |
| 28 | DANC Redevelopment Fund-Grant | 200,000 |
| 29 | River Valley Redevelopment Agency | 100,000 |
| 30 | North Country Economic Dev. Loan Fund | 500,000 |
| 31 | Cash Equity | 300,000 |

32
33 **NOW BE IT RESOLVED**, that the OGF authorizes a loan to North American Forest Group, Inc. in the
34 amount of \$300,000 with the following contingencies:

- 35 1. Cross Corporate Guaranty of Curran Renewable Energy, LLC, Curran Logging Inc., and
36 Seaway Timber Harvesting, Inc.
- 37 2. Personal guarantees of Patrick Curran, Lee Curran, and Timothy Curran.
- 38 3. Funding commitment by Development Authority of the North Country in the amount of
39 \$400,000 (\$200,000 loan/\$200,000 grant)
- 40 4. Funding commitment by St. Lawrence County IDA LDC in the amount of \$400,000
- 41 5. Funding commitment by the North Country Economic Development Fund in the amount of
42 \$500,000
- 43 6. Funding commitment by the River Valley Redevelopment Fund in the amount of \$100,000.
- 44 7. Owner cash equity of \$300,000
- 45 8. Appraisal, or third party broker opinion, of building with equipment with a minimum value
46 of \$1,500,000 upon completion of improvements.
47

48 **BE IT FURTHER RESOLVED** that the loan closing shall be contingent upon review and approval of
49 loan documents by the Corporation’s Attorney.
50

1 On motion duly made by Director LaMacchia, and seconded by Hon. Director Purdy, the following
 2 resolution was placed before the Board of Directors of the Corporation:
 3

| Director | Aye | Nay | Abstain | Absent |
|------------------------|-----|-----|---------|--------|
| Chairman Wright | X | | | |
| Director Sutton | X | | | |
| Director Hammond | | | | X |
| Director Brashaw | X | | | |
| Director Tooley | X | | | |
| Director Demers | X | | | |
| Director LaMacchia | X | | | |
| Hon. Director Purdy | X | | | |
| Hon. Director Ashley | | | | X |
| Hon. Director Burns | X | | | |
| Hon. Director McNamara | X | | | |

4
 5 The motion received sufficient affirmative votes and is henceforth approved:
 6 9 Ayes, 0 Nays, 2 Absent, 0 Abstain.
 7

8 Chairman Wright noted that the motion has been approved, adding, I know it's not exactly what was
 9 asked for in terms of the term of the loan, but given the parameters and the importance of the project
 10 I hope NAFG will be accepting of this offer.
 11

12 Director Purdy stated how exciting this project and the growth potential is for Ogdensburg.
 13 Discussion ensued among the Board followed about the scale and opportunity that the project
 14 presents for Ogdensburg and the surrounding area.
 15

16 **4) Old Business –**

17 (a) Financial Report: Mr. Johnson, the Chief Financial Officer for the Growth Fund
 18 presented the most recent financial reports. Chairman Wright inquired if there
 19 were any loans falling behind or late on payments? Mr. Johnson replied that with
 20 the exception of the Farrand Loan and the remaining \$5,000 unpaid by Wade
 21 Morrill for The Pub, all other accounts are current.
 22

23 Chairman Wright asked Ms. Smith to check with Andy Silver to see if the
 24 judgement had been filed against Mr. Morrill.
 25

26 Mr. Johnson clarified the taxes for the post office, this is line is readjusted so it
 27 effectively zeros out. However, because of when the school taxes are due it looks
 28 like a significant negative amount, but we will be submitting the reimbursement
 29 for that and it will be paid against that line. Director Sutton questioned who is
 30 responsible for building maintenance under the terms of the lease? Ms. Smith
 31 replied that the Post Office is responsible for building maintenance, including the
 32 roof. She added that typically once a year they try to get the Growth Fund to
 33 make roof repairs to which a reply is sent along with a copy of the lease that
 34 illustrates they are the responsible party for such repairs and or maintenance.

1 Discussion on the expiration of the lease ensued. Ms. Smith replied she thought it
2 was 2023, but noted that she would confirm.
3

4 There was no other discussion and no action was required on the reports.
5

6 **5) Items for Discussion –**

7 Director Sutton suggested that we should address committees with our new appointments.
8 It was agreed that Mr. Burns would serve on the Governance committee and Mr.
9 LaMacchia on the business review committee. Chairman Wright noted that all
10 committee appointments will be reviewed at the annual meeting in January 2019. It was
11 also suggested that the Board may want to review its lending policy to make sure that it is
12 current, and has the necessary flexibility to promote use of the funds for a range of
13 projects.
14

15 Chairman Wright also noted that for new members or any member that wants more
16 information on the history of a loan or project that is reference or that they simply want to
17 better understand the details, please don't hesitate to ask.
18

19 **6) Adjournment -** The motion was made to adjourn the meeting by Director Burns, 2nd by
20 Director Sutton.
21

22 Vote: All Ayes (9/0), motion carried and meeting was adjourned at 6:40 PM.