



ESSEX COUNTY IN THE PARK
INDUSTRIAL DEVELOPMENT AGENCY

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**Essex County IDA Board Meeting
September 4, 2019 at 9:00AM
7566 Court Street, Elizabethtown, NY**

Present: Darren Darrah
John Boyea (via conference call until 10:15AM)
Jamie Rogers
James Bowen
Gerald Morrow
Matthew Courtright (via conference call)
James Monty (departed meeting at 10:15AM)

Also Present: Jody Olcott
Carol Calabrese

Open of Meeting

Chairman Darren Darrah opened the meeting at 9:00AM.

Public Hearing – The IDA opened public hearing at 9:00AM on the proposed issuance by the Agency of one or more series or issues of its special obligation revenue refunding bonds in an aggregate principal amount not to exceed \$2,900,000 (the “Bonds”), pursuant to Article 18-A, Title 1 of the New York General Municipal Law, as amended (the “Act”), for the purpose of refinancing the costs of the acquisition, improvement, construction and installation of certain solid waste disposal facilities (the “Project”), at the Ticonderoga Mill of International Paper Company, a New York corporation (the “Company”), located at 568 Shore Airport Road in Ticonderoga, Essex County, New York 12883, by refunding the Agency’s Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2017A, currently outstanding in the aggregate principal amount of \$2,900,000 (the “Prior Bonds”). The Project is owned and operated by the Company for use in its business of the production of paper and paper-related products. The Bonds will be issued pursuant to an indenture and financing agreement (together, the “Bond Documents”) requiring that the Company make payments equal to the debt service on the Bonds and make certain other payments. The Bonds will be a special obligation of the Agency payable solely from revenue derived from the Company under the Bond Documents. The bonds shall not be a debt of the State Of New York (The “State”) or any political subdivision thereof, including, without limitation, Essex County, New York, and neither the state nor any political subdivision thereof, including, without limitation, Essex County, New York, shall be liable thereon. The public hearing is required by the Act and by Section 147(f) of the Internal Revenue Code of 1986, as amended. Any person interested may appear at the above-stated time and place to be heard or to present written comments for or against the issuance of the Bonds to refinance the Project by refunding the Prior Bonds. At such hearing, all comments, objections and suggestions will be heard, reviewed and considered. Notice of this hearing was published in a newspaper

or newspapers of general circulation in Essex County, New York at least ten (10) days prior to the date of the public hearing. Tim Stocker, Ticonderoga Mill Manager and the IDA Board and staff were present. No public comment or attendance. The public meeting closed at 9:15 AM.

Approval of Minutes

1. May 29, 2019 Meeting Minutes

Motion #2019-38: A motion to approve the May 29, 2019 meeting minutes was made by Jamie Rogers and seconded by James Monty. All members were in favor.

Financial Services/Programs

1. Bond Application – International Paper Ticonderoga Mill has submitted refinancing request for their 2017 \$2.9 million bond. Tim Stocker, Mill Manager discussed their largest challenge this year is finding employees which effects overall costs and margins. Entry level positions are continually open in the finishing area of the mill as well as other high-level management and engineering positions. The Ticonderoga facility will take over portion of Alabama operations in January while they upgrade equipment. In 2019 Ticonderoga completed turbine generator project (\$4 Million) and is researching additional cell for landfill. Tim noted that natural gas conversion has been successful, and the Ticonderoga facility is on their 4th round of hiring for 2019 but only getting single digit numbers instead of dozens needed.

Motion #2019-39: Resolution authorizing the issuance and sale by the Essex County Industrial Development Agency of up to \$2,900,000 of its environmental improvement revenue refunding bonds (the “bonds”); the execution and delivery of the bonds; the provision of certain “financial assistance”; and the approval of the forms of the trust indenture, the installment sale agreement, the contract of purchase and the bonds. WHEREAS, the Essex County Industrial Development Agency (the “Issuer”), a body corporate and politic and a public benefit corporation of the State of New York (the “State”), previously issued its Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2017A in the aggregate principal amount of \$2,900,000 (the “Prior Bonds”), for the purpose of refinancing the costs of the acquisition, improvement, construction and installation of certain solid waste disposal facilities (the “Project”) at the Ticonderoga Mill (the “Mill”) of International Paper Company, a New York corporation (the “Company”), located in Essex County, New York; and WHEREAS, the Company has applied to the Issuer, requesting that the Issuer issue revenue refunding bonds in an aggregate principal amount not to exceed \$2,900,000 (the “Bonds”), from time to time or at one time, in one or more series or issues, for the purpose of refinancing the Project by refunding the Prior Bonds; and WHEREAS, the Issuer desires to assist the Company in providing for the refinancing of the Project, all pursuant to the provisions of Article 18-A, Title 1 and Section 914-a of the General Municipal Law of the State, as amended (together, the “Act”); and WHEREAS, the proposed Project meets the criteria set forth in the Essex County Industrial Development Agency Uniform Tax Exemption Policy for the granting of sales and use tax exemptions and mortgage recording tax exemptions; and WHEREAS, pursuant to the applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 142(a) of the Code; and WHEREAS, prior to the issuance of the Bonds, the Issuer must hold a public hearing with respect to the Project and the financial assistance being contemplated by the Issuer in accordance with the provisions of Section 859-a of the General Municipal Law of the State; and WHEREAS, the Issuer deems it necessary and advisable that it take such action as may be required under applicable statutory provisions, including the Act, to authorize the issuance and sale of the Bonds to refinance the costs of the Project in an amount up to \$2,900,000; and WHEREAS, the Company will be obligated to make payments sufficient to pay the principal of, interest on and redemption premium, if any, on such Bonds as and when the same

shall become due and payable, including an option on the part of the Company to purchase the interest of the Issuer in the Project for an aggregate amount required to retire all outstanding Bonds, plus an amount equal to the amount to be prescribed in an installment sale agreement which shall not, without the Company's consent and agreement, exceed ten dollars, and such other provisions as shall be mutually acceptable to the Issuer and the Company; and WHEREAS, the Issuer desires (i) to authorize the issuance and sale, from time to time or at one time, in one or more issues or series, of the Bonds for the purpose of refinancing the Project by refunding the Prior Bonds, (ii) to lease (with an option to purchase) or sell the Project to the Company pursuant to the Act; (iii) to authorize the Company take all necessary action in connection with the issuance and sale of the Bonds including the distribution of a preliminary official statement and a final official statement; (iv) to provide certain other "financial assistance" (the "Financial Assistance," as such term is defined in the Act), which Financial Assistance shall consist of the issuance and sale of the Bonds; and (v) to authorize the taking of all further actions as may be necessary in connection with the foregoing; and WHEREAS, there has been submitted to the Issuer for approval, in substantially final form, subject to such changes, including appropriate insertions, deletions and completions, as shall hereinafter be approved by the Chairperson or Vice Chairperson with the advice of the Issuer's attorneys, the proposed form of a Trust Indenture (the "Indenture") between the Issuer and a trustee to be selected by the Company (the "Trustee"), the proposed form of the Installment Sale Agreement (the "Installment Sale Agreement") between the Issuer and the Company and the proposed form of the Contract of Purchase (the "Contract of Purchase" and together with the Indenture and the Installment Sale Agreement, the "Bond Documents") among the Company, the Issuer and the underwriter or underwriters to be selected by the Company; and WHEREAS, the Company has requested the Issuer to (i) make the findings required by the Act, (ii) authorize the issuance of the Bonds from time to time or at one time, in one or more issues or series, each such Bond bearing interest at a constant or fluctuating rate as shall be specified in the Indenture not in excess of twelve percent (12%) per annum and maturing on a date to be determined by the Company not later than forty years from the date of issuance, (iii) authorize the execution and delivery of all documents necessary to the consummation of the transactions described above containing substantially the terms as contained in those forms of Bond Documents presented to the Issuer as described in the previous paragraph, and (iv) sell the Bonds pursuant to the Contract of Purchase, at a price approved by the Company for the Bonds to which the Contract of Purchase relates; and WHEREAS, the Issuer has determined to undertake the issuance of the Bonds and authorize the other actions herein described. NOW, THEREFORE, BE IT RESOLVED BY THE ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, ESSEX COUNTY, NEW YORK: The Issuer hereby finds and determines that: The Project constitutes a "project" under the Act and will serve the public purposes of the Act by promoting the economic welfare, health and prosperity of the inhabitants of the County and the State, including by preserving permanent, private sector jobs in the County and the State, and by controlling environmental pollution therein; The refinancing of the Project, through the issuance of revenue refunding bonds pursuant to the Act, will advance the job opportunities, health, general prosperity and economic welfare of the people of the County and the State and improve their prosperity and standard of living, and thereby serve the public purposes of the Act; It is desirable and in the public interest to issue in an aggregate principal amount not to exceed \$2,900,000 from time to time or at one time in one or more issues or series in revenue refunding bonds for the purpose of refinancing the Project by refunding the Prior Bonds; No pecuniary liability has resulted or will result to the County nor will there be any charge against the County's general credit or taxing powers by reason of the issuance of the Bonds; and the principal, interest and premium, if any, on the Bonds shall be secured by a pledge of the revenues payable to the Issuer pursuant to the Bond Documents and neither the Bonds nor any interest thereon shall ever constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation, nor shall ever constitute or give rise to any pecuniary liability of the County or a charge against its general credit or taxing powers. The execution and delivery of the Bond Documents in substantially the

forms presented to the Issuer with such changes as the executing officer shall approve (his or her execution to be conclusive evidence of such approval) on behalf of the Issuer, are hereby authorized and directed. The Bond Documents shall be executed and delivered on behalf of the Issuer by the Chairperson or Vice Chairperson of the Issuer and attested by the Secretary of the Issuer, and the seal of the Issuer affixed thereto by the Secretary. The forms and contents of the Bond Documents, which are hereby approved and which are made a part hereof, shall be substantially as submitted to this meeting. Upon the execution and delivery of the Bond Documents, the Bonds in an aggregate principal amount not to exceed \$2,900,000 are hereby authorized to be issued from time to time or at one time, in one or more issues or series, and the proceeds of the Bonds shall be applied in the manner and according to the terms of the Bond Documents. The Bonds shall be designated as set forth in the Indenture, or by such other designation as the Chairperson or Vice Chairperson of the Issuer may provide and approve, and shall be issued in one or more issues or series, each such issue or series designated alphabetically and by year and each such Bond shall be dated as of a particular day of the month in which such Bond is issued, and bear interest at a constant or fluctuating rate not in excess of twelve percent (12%) per annum, and shall be subject to redemption, prepayment and tender, all as provided in the Bond Documents. The Bonds shall be in one or more forms as are permitted by the Bond Documents, and prior to delivery, shall be authenticated by the Trustee as prescribed in the Bond Documents. The Financial Assistance consists of the issuance of the Bonds and the sale thereof to such underwriter or underwriters as shall be designated by the Company, for a price as specified by the Company, together with any accrued interest to the date of issue of each such Bond, and otherwise in accordance with the Contract of Purchase, and is hereby approved. The Chairperson or Vice Chairperson of the Issuer and its Secretary are hereby authorized to execute or deliver the Contract of Purchase and are fully authorized and empowered to take such further action and to cooperate with McGuireWoods LLP, bond counsel, to cause the preparation and distribution of such appropriate marketing documents, including a preliminary official statement and an official statement, and to execute and deliver such closing documents all as may be necessary and proper to effect the marketing, sale, issuance and delivery of the Bonds in accordance with the terms and conditions of the Contract of Purchase, and the action of such officers in executing and delivering any of such documents in such forms as the executing officer or officers shall approve is hereby authorized. When received, the Bond proceeds shall be paid directly to the Trustee as provided in the Bond Documents and thereafter disbursed by the Trustee in accordance with the terms and provisions of the Bond Documents to refinance the Project by refunding the Prior Bonds. The Chairperson or the Vice Chairperson, in the Chairperson's absence, is hereby authorized to make and/or approve such changes in the terms of the Bond Documents, as presented to the Issuer with this Resolution, as are mutually negotiated by and between the parties thereto and consistent with the public purpose of the Issuer prior to the delivery of and payment for the Bonds. The Co-Executive Directors of the Issuer or such other appropriate officials of the Issuer designated by the Chairperson or Vice Chairperson are hereby authorized, pursuant to the provisions of Section 215 of the Tax Equity and Fiscal Responsibility Act of 1982 and Section 859-a of the General Municipal Law of the State, to conduct a public hearing to hear any objections to the proposed issuance of the Bonds, following the publication of a notice of public hearing in a newspaper of general circulation in Essex County, New York at least ten (10) days in advance of the date set for such hearing. The publication of such notice on August 20, 2019 in *The Press-Republican* is hereby ratified and approved. The Chairperson or Vice-Chairperson of the Issuer is hereby authorized and directed to distribute copies of this resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution. Pursuant to the request of the Company, the law firm of McGuireWoods LLP is hereby appointed to serve as bond counsel with respect to the Bonds. Squire Patton Boggs is hereby appointed to act as special counsel to the Issuer with respect to the Bonds. The proper officers, directors, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be

necessary to carry out and comply with the provisions of the Bond Documents as executed and are further authorized to take any and all further actions and to execute and deliver any and all other documents as may be necessary in the issuance of the Bonds, in the execution, delivery and performance of the Bond Documents and in the provision of the Financial Assistance to the Company. All acts and things of the officers of the Issuer which are in conformity with the purposes and intents of this Resolution and in furtherance of the issuance of the Bonds and the execution, delivery, approval and performance of the Bond Documents shall be, and the same hereby are, in all respects ratified, approved and confirmed. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict. This Resolution shall take effect immediately. A motion to approve was made by Matthew Courtright and seconded by James Bowen. All members were in favor.

Motion #2019-40: Resolution finding and declaring the proposed action by International Paper company to refinance the acquisition, construction, installation and equipping of certain facilities at its Ticonderoga mill to have no adverse environmental impact and ordering the officers and directors of the agency to notify such agencies as to such finding as prescribed by law. WHEREAS, International Paper Company, a New York corporation (the "Company"), has applied to the Essex County Industrial Development Agency (the "Issuer") requesting that the Issuer issue from time to time or at one time in one or more issues or series its revenue refunding bonds in an aggregate principal amount not to exceed \$2,900,000 (the "Bonds") for the purpose of refinancing the costs of the acquisition, improvement, construction and installation of certain solid waste disposal facilities at the Company's Ticonderoga Mill located in Essex County, New York (the "Project"), by refunding the Issuer's Environmental Improvement Revenue Refunding Bonds (International Paper Company Project), Series 2017A which are outstanding in the aggregate principal amount of \$2,900,000; and WHEREAS, the Issuer has undertaken by Resolution dated the date hereof to issue the Bonds and to provide funds to refinance the Project; and WHEREAS, the Issuer has received a short environmental assessment form (the "EAF") prepared by the Company and has received and analyzed the responses prepared by the Company to aid the Issuer in determining whether the Project will adversely affect the environment; and WHEREAS, the Issuer now finds and states its determination that the Project will not have an adverse environmental impact but in fact will be environmentally beneficial to Essex County and the State of New York; and WHEREAS, the Project will abate pollution and therefore will have no adverse environmental impact, and the filing of an Environmental Impact Statement is not required under the Environmental Quality Review Act, as amended (Article 8, Environmental Conservation Law of the State of New York, and regulations thereunder) (the "Act"); and WHEREAS, the Issuer was requested by the Company to issue the Bonds and, thus, become the lead agency. NOW, THEREFORE, the Issuer does and it hereby finds and resolves as follows: The Issuer declares itself to be acting as lead agency. The Project proposed to be refinanced with the proceeds of the Bonds will have no adverse environmental impact, and no Environmental Impact Statement is required under the Act, based upon the findings and responses contained in the EAF. The officers of the Issuer shall maintain on file as prescribed by law the Agency's findings that the Project will have no adverse environmental impact and requires no Environmental Impact Statement under the Act, and such officers shall make all filings of this Resolution as shall be required under the Act or other applicable law. Motion was made by Matthew Courtright and seconded by James Bowen. All members were in favor.

2. Monthly Loan Report – All loans are current.
3. Loan Default Updates
 - a. Westport Golf & Hospitality (Westport) – IDA staff will contact Ron Briggs to contact get an update on lawsuit between Como Oil Company/Consolidated Mortgage/John Hall.

- b. Adirondack Meat Company (Ticonderoga) – IDA staff spoke with special counsel from Clinton County, they are still investigating and interviewing additional parties.
- 4. Straight Lease Back Transactions
 - a. Saranac Lake Resort (North Elba) – Project is looking to close next week. Chairman and Secretary to sign documents today.

Business Park Development

- 1. Moriah Business Park
 - a. Lot #4 Building (High Peaks Hospice) – No maintenance issues to report.
 - b. Lots #3, #5 & #6 (Whistlepig) – Whistlepig continuing with construction of the final building on lot #6 (building 7) which should be completed soon. Moriah Business Park neighbor submitted complaint to NYS Department of Health regarding black fungus growing on side of his house and camper. DOH replied with Indiana State Department of Health finding regarding “whiskey fungus” noting it is non-toxic and the impact is reduced with yearly house maintenance.
 - c. Lot #4 – Whistlepig has approached the IDA with inquiry to construct another warehouse building on the remaining undeveloped land on lot #4. IDA Board had reviewed this proposal before and noted that proposed Whistlepig building should not block view of office building. Previous appraisal of lot #3, #5 and #6 valued property at \$6,000 per acre. The IDA Board would support maximum building size allowable without blocking view of offices now leased to High Peaks Hospice. The maximum allowable building may also required IDA gifting a building right from lot #7.

Motion #2019-41: A motion to subdivide lot #4 and sell portion of land (undetermined acreage at this time) to Whistlepig for \$6,000 per acre to construct a warehouse facility (building 8) was made by Darren Darrah and seconded by James Monty. All members were in favor. Jody will need to contact AES Northeast to inquire about maximum building size and subdivision as well as talk to the APA regarding amendment request.

Business Development Updates

- 1. Marketing
 - a. Internet Based Marketing Monthly Report – Darren to work with Sarah to update website as visibility is down and upgrades are needed. Plan is to combine Canadian targeted website with IDA site.
- 2. Grant Administration - IDA to look at potential grant opportunities with National Grid and marketing efforts.
 - a. Adirondack Arts Grant Program - \$5,000 grant is underway. IDA is administering.
 - b. HUB Grant 2 – Site visits have been completed, Nature Conservancy attended site visits as well. Most Grant Agreements expire in November and will no longer require monitoring.
- 3. Other
 - a. International Paper Workforce Development Committee – Meetings scheduled with CV-TEC and local school principals (Oct. 2019). New focus on Fort Drum area and retired or highly skilled employee recruitment (4 career fairs held each year).
 - b. Center for Businesses in Transition (CBIT) – Series of workshops held throughout park communities.
 - c. Essex County Workforce Committee – Working with Personnel and Department of Social Services on large number of vacant jobs at the County.

Financials

1. May & July 2019 Financial Statements – No Comments
2. NYS Senate Compliance Audit – A copy of response was sent in Board packages. Response noted that the IDA did not have Whistleblowers policy.
3. 2020 Budget Request – Proposed rates for 2020 were distributed to the Board for review. IDA has previously provided single coverage for eligible employees. With recent increases in health insurance, IDA has looked into high deductible plans and paid 100% of the deductible into established HSA account. Jody is working on the 2020 budget and asked Board for direction in choosing health insurance plan.

Motion #2019-42: A motion for the IDA to continue to provide single coverage health insurance for eligible employees was made by James Monty and seconded by James Bowen. All members were in favor.

New Business

Motion #2019-43: A motion to go into executive session at 10:15AM to discuss personnel was made by Gerald Morrow and seconded by Jamie Rogers. All were in favor.

Motion #2019-44: A motion to go out of executive session at 10:26AM was made by Darren Darrah and seconded by Gerald Morrow. All members were in favor.

1. 2018 Employee Reviews – Annual reviews were conducted by Chairman Darrah and discussed with the IDA Board. It was noted that raises have not been given to staff since December 2017.

Motion #2019-45: A motion to approve 4% staff raises effective August 19, 2019 was made by Gerald Morrow and seconded by Jamie Rogers. All members were in favor.

2. Whistleblower Policy – Draft policy developed by NYS Authority Budget Office was distributed in board packages.

Motion #2019-46: A motion to adopt the new Whistleblower Policy was made by Jamie Rogers and seconded by Gerald Morrow. All members were in favor.

3. August Abstract for Payment

Motion #2019-47: A motion to approve the August Abstract for Payment was made by Gerald Morrow and seconded by James Bowen. All members were in favor.

4. Next Meeting – October 30, 2019 at 10:00AM at the Adirondack Health Center in Lake Placid.

Adjourn Meeting

Motion #2019-48: A motion to adjourn the meeting at 10:40AM was made by Jamie Rogers and seconded by James Bowen. All members were in favor.