

## Canton Capital Resource Corporation

Board Meeting April 8, 2019

### Present

Board Members: Lyndon Allen, Benjamin Dixon, Brian Gardam, John Gray, William Irven

Guests: Patrick Kelly, Leigh Rodriguez, Robert Washo

- A. Mr. Irven convened the meeting at 5:00 pm.
- B. Mr. Dixon introduced Patrick Kelly. Mr. Kelly is the Executive Director of the St. Lawrence County Industrial Development Agency (IDA). Mr. Dixon asked Mr. Kelly to advise the board of (A) regulatory issues of which we should be aware, and (B) ideas for projects that we could do.

Mr. Kelly said that the IDA was created in 1971. The IDA has a staff of 6 ½ employees. Its mandate is to improve the overall economic conditions of the county. Over time, it has created other entities to help with its mission, including a Local Development Corporation that has the authority to loan money. LDC's are all not-for-profit entities, whereas the IDA itself is a municipal entity. An LDC can convey tax-exempt status to a project. Funding sources can pass money through an LDC that they can't do with a municipality.

Even though New York created LDC's, the state has now blocked the creation of more LDC's, thinking that they had gotten out of control.

The newest entity created by the IDA has been a Property Development Corporation, to protect the IDA from liability related to owning real property. All these entities are public authorities.

The IDA does not do a lot of smaller, downtown development efforts. Capital Resource Corporations are different from CRC's in that:

1. The main member of a CRC is a municipality;
2. A CRC can issue tax-exempt bonds, if they are for a tax-exempt purpose.

A CRC can apply for grant funds to be used for a project and can act as a pass-through for grants for a for-profit entity. Like an LDC, a CRC must develop some assets in order to be able to loan funds. "A CRC is a vehicle for doing a number of economic development activities, a vehicle whose fuel is cash."

A CRC or LDC has flexibility regarding what they do with a property. For example, they do not have to sell it to the highest bidder if another bid is more in keeping with its mission. A property owner can get a tax write-off for donating the property to the CRC. However, the board must be careful not to take property off the tax rolls for a long term.

Ms. Rodriguez noted that the Town of Canton is administering a revolving loan fund for economic development. That fund could be shifted to the CCRC.

Mr. Kelly offered to be available to address any questions or discuss ideas. He left the meeting at 6:00 with thanks from the board for the information and insights he provided.

- C. Mr. Irven reported that the directors' liability insurance is now in place.
- D. The minutes from the 3/5/19 meeting were reviewed. Mr. Grey moved their approval, Mr. Dixon seconded, all approved.
- E. Financial matters
  - 1. Mr. Grey reported our only expenditures for the month were the D&O insurance and purchasing an ad in the newspaper for today's meeting.
  - 2. We still didn't have a response to our RFP for an audit. Mr. Gardam reported he had spoken with Ed Mucenski of Pinto & Mucenski. Mr. Mucenski requested that Mr. Gray contact him after Easter to discuss what needed to be done and expressed confidence that he would be able to help us. Mr. Gray said he will follow up with Mr. Mucenski.
  - 3. Mr. Gray will do the 990's for this year and the previous two years, after checking to see if they can be done before audits are completed.
  - 4. Mr. Gray will also file the required financial information with PARIS.
- F. Next Meeting: Monday, May 13, 2019, at 5:00 pm.

The meeting was adjourned at 6:45 pm.

Respectfully submitted by Brian Gardam, Secretary.