



405 RIVERSIDE DRIVE, CLAYTON, NEW YORK 13624 315.686.3512

### **Minutes of Special Meeting of September 26, 2012**

Chair Larry Aubertine called the Special Meeting of the Clayton Local Development Corporation to order at 6:00 PM at the Paynter Senior Center on Strawberry Lane, Clayton, NY. Also in attendance were Bud Baril, Vice Chair; Justin Taylor, Treasurer; Chris Bogenschutz, Assistant Secretary; along with Board Members Walt Christensen, Norma Zimmer, Kathy LaClair and Cary Brick (by phone). Excused were: John Slattery, Secretary; John Kehoe, Michael Docteur; Lori Durand, Mike Geiss and Rebecca Hopfinger.

The CLDC meeting was held in conjunction with the Joint Town Board of the Town of Clayton and the Board of Trustees of the Village of Clayton at their regular Quarterly Meeting.

Topic: Sale of the Frink Property update associated with Krog Development.

Justin Taylor started the discussion with a brief update to all in attendance. Mainly the CLDC had entered into a one (1) year agreement with Krog August 1, 2010, and that expired July 31, 2011. The Town and the CLDC have continued to negotiate with Krog toward the disposition of the Frink Property with no agreement extending the Memorandum of Understanding and the Town and the CLDC have not reached a meeting of the minds with Krog to date with respect to the terms for the disposition of the Frink Property to Krog.

During recent conversations between the Town Supervisor and a principal of Krog, Krog expressed its firm position that they cannot pay the sums required by the Town and the CLDC (\$2.1 million) to acquire the Frink Property, and further expressed its position that its acquisition of the Frink Property must be conditioned upon certain factors and agency assistance which appear to the Town and CLDC to be unattainable. That being, Krog would be requesting a 27 year P.I.L.O.T. agreement which is not in the realm of Jefferson County standards for P.I.L.O.T.'s.

Supervisor Taylor expressed that Krog had missed a number of deadlines to move forward and it is fairly clear that an exit strategy needs to be drawn and we should express to Krog that the three entities are united in that we need to draw the line; we're done negotiating and move forward.

Supervisor Taylor did note that today he had a three (3) way conversation with Krog/Hart/himself. They would like the Town and CLDC representatives to go to Watkins Glen for discussions. Likewise, Supervisor Taylor had another phone call from Don Alexander, of JCIDA, who would like to get together with all taxing parties and Krog within the next thirty (30) days to start discussions.

Atty. Joe Russell stated that CLDC and the Town had made available the Disposal Disposition Agreement to Krog and that it has been back and forth numerous times. It was clear to Krog what the amount of the sale was to be (\$2.1 million firm) and a payment schedule. There has been little feedback only contingencies from Krog. Atty. Russell stated that all the entities are no where near the meeting of the minds and further negotiations are not going to accomplish anything more.

Atty. Russell further stated that Krog on June 22<sup>nd</sup> had been made aware that they could applied by letter to the Empire State Grant to ask for a waiver to the Labor Peace Agreement and 90 days have passed and they haven't acted as yet. Krog has missed other deadlines as well such as applied an application for the P.I.L.O.T. agreement to JCIDA. Atty. Russell's opinion is that the 27 years they're asking for is not realistic. Krog has indicated that it won't work without the 27 year P.I.L.O.T. Atty. Russell sees a lack of seriousness on the part of Krog as they haven't responded to our terms and also haven't compiled a list with the conditions of financials.

Discussions followed the reading of a Joint Resolution that was drafted by Atty. Russell. Atty. Russell feels that if this resolution is passed, that it should be sent along with a letter, that will be drafted by himself and signed by the Town, Village and CLDC.

Supervisor Taylor stated that this would invite Krog to submit an offer that we would consider along with a signed land disposition and also open up the door for anyone else to submit an offer up until a certain date. We would also be requiring a deposit of \$210,000 to be submitted with their proposal(s).

Paul Heckmann, Redevelopment Committee Chair, stated that for the past six (6) months, Krog has slowed down their response time and any indications of moving forward. It is the Redevelopment Committees recommendation that this drop dead date be set and force a decision so that we can move forward.

**MOTION** by Walter Christensen, seconded by Bud Baril to endorse the Resolution to not pursue further negotiations with Krog exclusively for the disposition of the Frink Property at this time, and to have the Town Supervisor notify Krog that the negotiations between the Town and CLDC with Krog for the disposition of the Frink Property are hereby suspended. Motion carried.

**MOTION** by Bud Baril, seconded by Walt Christensen, to authorize Atty. Joseph W. Russell to write a Request for Proposal and that can be sent to Krog and any other persons of interest. Motion carried.

Paul Heckmann, stated that concerning the BIG Grant: the time table is on line, the layouts are done, engineer estimates are near completion and the Feasibility Study should give a good read on the income possibilities.

Respectfully Submitted,  
Kathleen E. LaClair  
Town Clerk