

**Jefferson County Industrial Development Agency
Loan Review Committee Meetings Minutes
November 24, 2020**

Present: Robert Aliasso, Chair, David Converse, John Jennings

Absent: None

Also Present: Don Alexander, Lyle Eaton, Peggy Sampson, Rob Aiken, Christine Powers, William Johnson, Lisa LøHuillier, Stuart McCreary, Esq.

- I. Call to Order:** Chair Aliasso called the meeting to order at 8:02 a.m.
- II. Pledge of Allegiance**
- III. Willowbrook Enterprises, Inc. –** Willowbrook Golf Course is currently owned by and Investment Group from Utah (ownership of the land only). Douglas McDavitt has been the General Manager of the course for the last 34 years, and the owners have offered to sell the real estate to him for \$375,000. Mr. McDavitt is the sole owner of the golf and lounge businesses. Watertown Savings Bank is considering a \$337,500 loan to Mr. McDavitt, taking a first position mortgage on the property.

A request for a \$40,000 Microenterprise Loan to be used for working capital and to purchase real estate at 25015 NYS Route 37, Watertown, NY. Staff recommends a five-year amortization at 5%. Collateral will be a second position mortgage on the property and the personal guarantee of Douglas McDavitt. There were 26 part-time and 3 salaried positions employed for the 2020 season (calculated as an estimated 7 FTE hourly employees and 3 FTE salaried positions). The loan will be contingent upon Watertown Savings Bank approving a loan in the amount of \$337,500 and provision of an accepted purchase offer.

Mr. McCreary, Mr. McDavitt's legal representation, spoke to committee members on behalf on Mr. McDavitt's project. He said that a Utah Investment Group bought the land at the Willowbrook Golf Club with a plan to use it for housing development; however, he said that never materialized and the group had no interest in running the golf course. He said that an agreement was made between the investment group and Mr. McDavitt that Mr. McDavitt would continue to run the business and keep the liquor license in his name. Mr. McCreary said the initial investment group was sold to another group in Utah and they decided they wanted to liquidate assets and reached out the Mr. McDavitt to offer the land to him for \$375,000. He said that it was a rough start to this year, but said that it ended great since it was one of the activities that people could do during the pandemic.

Mr. Converse asked if the borrower's equity is cash. Ms. Powers confirmed that it is. She said that Watertown Savings Bank is satisfied with all of the information they have received and indicated that their loan is contingent upon the IDA loan.

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Mr. Jennings noted that the financials show that the business hasn't made any money for the last three years. Mr. McCreary said that the business has been around far longer than the three years of financials that were presented with the application. He said its cyclical and there are other factors such as the weather and membership. Mr. Eaton said the business is highly leveraged and noted that \$65,000 in unpaid taxes are due as of September 30 and he wasn't sure if they have been paid yet. Ms. Powers said that the taxes will be paid.

Mr. Converse suggested an amendment to the draft resolution by providing the first six months interest only. Mr. Eaton also added thereafter 60 equal monthly payments of principal and interest. A motion was made by Mr. Converse, seconded by Mr. Jennings to move the request and recommendations to the full board at the next monthly meeting. All in favor.

IV. Other/Unfinished Business: None.

V. Adjournment: With no further business before the committee, Mr. Converse made a motion to adjourn the meeting, seconded by Mr. Aliasso. The meeting adjourned at 8:35 a.m.

Respectfully submitted,
Peggy Sampson