

Notice of Board Meeting - via Conference Call

Date: March 24, 2020

To: W. Edward Walldroff
Robert Aliasso
Kent Burto
John Jennings
Gregory Gardner
Paul Warneck
William Johnson
Lisa L'Huillier
Christine Powers

From: Chairman David Converse

Re: Notice of Board of Directors' Meeting via Conference Call

Due to the COVID-19 pandemic, the Jefferson County Local Development Corporation will hold their Board Meeting via conference call on **Thursday, April 2, 2020 at 8:30 a.m.**

pss

c: Donald Alexander
David Zembiec
Lyle Eaton
Joy Nuffer
Jay Matteson
Marshall Weir
Joseph Russell, Esq.

REVISED BOARD MEETING AGENDA
(VIA CONFERENCE CALL)
Thursday, April 2, 2020 – 8:30 a.m.

- I. Call to Order**
- II. New Business**
 - 1. Consider Resolution Number 04.02.2020.01 to forgo loan payments for 90 days**
 - 2. Consider Resolution Number 04.02.2020.02 for Clayton Island Tours**
 - 3. Consider Resolution Number 04.02.2020.03 for LCO Destiny LLC**
- III. Staff Updates**
- IV. Adjournment**

Jefferson County Local Development Corporation
800 Starbuck Avenue, Suite 800, Watertown, New York 13601
Telephone: (315) 782-5865 or (800) 553-4111 Facsimile (315) 782-7915

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 04.02.2020.01

WHEREAS, due to the recent COVID-19 pandemic, Staff recommends board approval to forgo principal and interest payments for 90 days effective immediately for all Revolving loans, and

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approves the recommendation, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

By: s/ Kent Burto
Kent Burto, Secretary

Roll Call Vote:

NAME	YEA	NAY
David Converse		
W. Edward Walldroff		
Robert E. Aliasso, Jr.		
Kent Burto		
John Jennings		
Gregory Gardner		
Paul Warneck		
William Johnson		
Lisa L'Huillier		
Christine Powers		

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 04.02.2020.02

**RESOLUTION FOR AUTHORIZING A REVOLVING LOAN TO
CLAYTON ISLAND TOURS**

WHEREAS, Clayton Island Tours has requested a loan in the amount of Forty Thousand Dollars (\$40,000.00) to be used for repair of flood damage and to prevent future damage, and

WHEREAS, Staff has reviewed this request and recommends approval of a Revolving Loan in the amount of \$40,000.00. Staff recommendation for the loan to be advanced on a demand note, bearing interest only for 12 months, or for a term to match receipt of the grant. Subsequent to receipt of the grant, the balance will be termed out for 5 years at 5%. Collateral will be a personal guarantee of David Kay and lien on the assets of the business. Staff does not recommend the loan be contingent upon approval of the Resiliency Grant, and

WHEREAS, due to the COVID-19 pandemic the Loan Review Committee was bypassed and the request was moved directly to the full Board of Directors for consideration, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approved the request for a Forty Thousand Dollar (\$40,000.00) loan to Clayton Island Tours with all terms and conditions as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

By: s/ Kent Burto
Kent Burto, Secretary

Roll Call Vote:

NAME	YEA	NAY
David Converse		
W. Edward Walldroff		
Robert E. Aliasso, Jr.		
Kent Burto		
John Jennings		
Gregory Gardner		
Paul Warneck		
William Johnson		
Lisa L'Huillier		
Christine Powers		

**Jefferson County Local Development Corp.
Loan Review Committee**

Date: 3/24/2020
Borrower: Clayton Island Tours
Amount: \$40,000.00
Project: See attached Aok Engineering report.
Personnel: 32 Total for 2019; convert to FTE's 7

Sources and Uses:

Resiliency Project Eligible Costs		<u>40,000</u>
Business Resiliency Request (50%)	20,000	
ESD Grant (Resiliency Program)		19,000
Local Govt. Match		1,000
Applicant's Match		<u>20,000</u>
Total Project		<u>40,000</u>

Terms:

Since this is a small project, we are recommending the \$40,000.00 be advanced on a demand note, bearing interest only for twelve months, or for a term to match receipt of the grant. Subsequent to receipt of the grant, the balance would be termed out for five years at five percent. We would also recommend this loan not be contingent on approval of the Resiliency Grant.

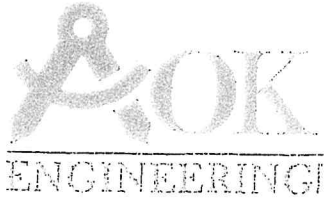
Financials:

A review of the internal financial statements and tax returns indicates positive cash flow for 2017,2018 and 2019.

The balance Sheet indicates a highly leveraged business that is producing adequate cash flow to service all debt.

Collateral:

Collateral would be a personal guarantee and a UCC filing on the assets of the business. It appears that Carthage Savings and Loan, Community Bank and Wells Fargo are in a superior position to our liens.



CLAYTON ISLAND TOURS, LLC
SECTION 4 – PARTS A & B

A. APPLICANT DESCRIPTION

1. Clayton Island Tours offers the 1000 Islands' most unique boat tour experience on our 43-65 passenger boats. This business provides family-oriented tours to get you closer to the islands and offer magnificent views of premier sights, such as giant Great Lakes freighters, lighthouses, magnificent island homes and the Thousand Islands International Bridge system up close. Daily stops to Boldt Castle and Rock Island Lighthouse are available. All tours have many photo opportunities and cruise areas of the 1000 Islands not seen on other tours. Four Boats providing Daily Tours and Charters departing 39611 Chateau Lane, Clayton, NY 13624 Also providing free parking.
2. *Clayton Island Tours, LLC* is recognized by the IRS as providing 'Island Boat Tours.' David L. Kay owns 100% of this business.
3. Not Applicable

B. PROJECT SITE INFORMATION AND FLOODING HISTORY/VULNERABILITY

1. Currently, the bathroom facility is approximately 550 square feet. Located southward is the leach field which is approximately 75 feet. Located Northward is a waiting area for customers which is approximately 1,045 sq/ft. Also located north of the picnic area is the shoreline which is approximately 110 linear feet and utilizes rip rap to stabilize the riverbank.
2. The 2019 Flood damaged the following:
 - Lawn
 - Fence
 - Docks
 - Shoreline
 - Boat Ramp
 - Dock Ramp
 - Leach Field
 - Bathroom Structure
3. Clayton Island Tours, LLC's project site is susceptible to future increased flood damage if left unchanged. The rip rap was taken back out into the river channel by the force of the floodwaters. The docking structure is continually destroyed by the wave action of the high-water event. The increased water level floods and erodes away the bathroom structure, the leach field, and the picnic area.
4. The above problems also occurred from the 2017 flood event. These challenges have lead to decreased business. Clayton Island Tours has to push back, or cancel, the start dates of boat tours because they have to make the docking location safe for clients by picking up debris, fixing the docks, stabilizing the shoreline, and obtaining port-a-potties when the bathroom facility floods or fails.
5. The owner, David Kay, has contacted the local, state, and federal authorities that govern the bed, banks, and shoreline of Lake Ontario. In 2019, he received a permit to install rip rap to help protect the shoreline. Unfortunately, the water level was over the rip rap and caused further unexpected damage to the business's property. Mr. Kay also has to bring in port-a-potties due to the bathroom facilities being flooded.
6. None known to current knowledge.
7. Clayton Island Tours, LLC's proposed project will stay within the existing footprint.

SECTION 5: FINANCIALS (cont'd)**B. PROPOSED BUDGET - TOTAL RESILIENCY PROJECT**

Provide a total budget for all eligible project capital costs for ALL Resiliency Components, numbering each Resiliency Component accordingly.

Resiliency Project Component Name (from Section 5 A Above)	Amount
1. Install rip-rap/ retaining wall	\$ 29,000
2. Raise ground level of waiting area	\$ 4,000
3. Replace fencing	\$ 3,000
4. Install pumping station for the septic leach	\$ 4,000
5.	\$
6.	\$
7.	\$
8.	\$
9.	\$
10.	\$
Resiliency Project Eligible Cost Budget Total:	\$ 40,000
Lake Ontario Business Resiliency Program Assistance Request: (50% of total Project Budget, maximum not to exceed \$200,000)	\$ 20,000
ESD Grant (95% of total Program Assistance Request)	\$ 19,000
Required Local Government Match (5% of total Program Assistance Request)	1,000
Applicant's Match (minimum 50% of total Project Budget)	20,000

C. THIRD-PARTY ASSISTANCE

Third-party assistance from 2019 flooding refers to losses that have been reimbursed or covered by grants or other assistance received from the local, state or federal governments, third-party payors and/or insurance carriers received. List all insurance claims and other assistance you have received, applied for or will receive.

Name of Applicant:

Source of Potential Assistance	Status	Amount Anticipated or Received
1. None known at this time		\$
2. Insurance Claim	Denied	\$ 0
3.		\$
4.		\$
5.		\$
Total Reimbursed Loss Anticipated or Received:		\$ 0
Please initial if no assistance was received to-date nor will it be received in the future.		
		<u>Initial:</u>

JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION
Resolution Number 04.02.2020.03

**RESOLUTION FOR AUTHORIZING A MODIFICATION TO THE REVOLVING
LOAN TO
LCO DESTINY LLC**

WHEREAS, LCO Destiny LLC has requested a moratorium on principal and interest payments from March 2020 through August 2020 on their loan that has a current balance of \$88,906.80, and

WHEREAS, Staff has reviewed the request and recommends approval by the board, and

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Local Development Corporation that it herein approves the recommendation, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

By: s/ Kent Burto
Kent Burto, Secretary

Roll Call Vote:

NAME	YEA	NAY
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