

Jefferson County Industrial Development Agency
800 Starbuck Avenue, Suite 800
Watertown, New York 13601
Telephone: (315) 782-5865 or (800) 553-4111 Facsimile (315) 782-7915
www.jcida.com

Notice of Board Meeting

Date: February 20, 2019

To: Chairman David Converse
John Jennings
Robert Aliasso
W. Edward Walldroff
Paul Warneck
William Johnson
Lisa L'Huillier

From: Donald C. Alexander

Re: Notice of Board of Directors' Meeting

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The Jefferson County Industrial Development Agency will hold their Board Meeting on **Thursday, March 7, 2019 at 8:30 a.m.** in the board room at 800 Starbuck Avenue, Watertown, NY.

Please confirm your attendance with Peggy Sampson pssampson@jcida.com at your earliest convenience.

pss

c: David Zembiec
Lyle Eaton
Joseph Russell, Esq.
Media

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BOARD MEETING AGENDA

Thursday, March 7, 2019 - 8:30 a.m.

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Privilege of the Floor**
- IV. Minutes of the Meeting of February 14, 2019**
- V. Treasurer's Report – as of February 28, 2019**
- VI. Committee Reports**
- VII. Unfinished Business**
- VIII. New Business**
- IX. Counsel**
 - 1. Car-Freshner Corporation and Opal Development Lawsuit**
- X. Adjournment**

**Jefferson County Industrial Development Agency
Board Meeting Minutes
February 14, 2019**

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The Jefferson County Industrial Development Agency held their board meeting on Thursday, February 14, 2019 in the board room at 800 Starbuck Avenue, Watertown, NY.

Present: David Converse, Chair, John Jennings, W. Edward Walldroff, Paul Warneck, Robert E. Aliasso, Jr., Lisa L'Huillier

Also Present: Joseph Russell, Esq., Kent Burto, and Marcus Wolf of the Watertown Daily Times

Staff Present: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Jay Matteson

Excused: William Johnson

Absent: None

- I. Call to Order:** Mr. Converse called the meeting to order at 9:03 a.m.
- II. Privilege of the Floor:** Mr. Converse invited guests to speak. No one spoke.
- III. Minutes:** Minutes of the regular meeting held January 3, 2019 were presented. A motion to approve the minutes as presented was made by Mr. Aliasso, seconded by Mr. Jennings. All in favor. Carried.
- IV. Treasurer's Report:** Mr. Aliasso reviewed the financials for the period ending January 31, 2019 along with the delinquent loans. Mr. Aliasso mentioned the delinquent PILOT payments for Metro Paper. He said it should be discussed soon in order to address the next taxable status date which is March 1st. Mr. Eaton said this is the last year of the PILOT Agreement, they are two payments behind and the final payment will be due this September.

Mr. Warneck asked about the status of PetaWatt obtaining the Metro building. Mr. Alexander indicated that he recently received a PILOT Application from PetaWatt; however, it was incomplete so he rejected it and sent it back to be completed. He said that the sewer bill remains an issue.

Mr. Eaton said that Wright Brothers is now one month behind and indicated that they are making full principal and interest payments. Mr. Aliasso asked about Mr. Rick's Bakery who is now three months behind. Mr. Eaton indicated that he hasn't heard from them; however, Mr. Alexander said that he spoke to Paul Alberry who indicated he is having health issues and the new business created by the Alteri Bakery closure is falling to his son.

After discussion, a motion was made by Mr. Aliasso to accept the financial report of January 31, 2019 as presented, seconded by Mr. Warneck. All in favor. Carried.

V. Committee Reports:

a. Loan Review

- i. Resolution Number 02.14.2019.01 for Jamie Hubbard and Jessica Williams – The Sandwich Bar** – Mr. Aliasso acknowledged the minor deviation in the equity contribution and noted it is an uncollateralized loan. Mr. Eaton said the Sackets Harbor Local Development Corporation will consider their \$19,000 loan soon. After review and discussion, a motion was made by Mr. Aliasso to approve the attached resolution, seconded by Ms. L’Huillier. All in favor. Carried.

VI. Unfinished Business:

- **Apex (Galloo Island)** – It was noted that Apex recently withdrew their application from the Article 10 process. Mr. Alexander said that they have not officially withdrawn their IDA application. Mr. Alexander said that the remaining balance of their money will be returned after all the bills are paid. Mr. Aliasso asked if they plan to withdraw their application from the IDA and, if so, indicated that their money should be returned once all related expenses have been paid. Otherwise, he said that he doesn’t feel comfortable about sending back the remaining balance unless the application is withdrawn or denied by the board of directors. Attorney Russell said that the money can be returned once the application is withdrawn.

VII. New Business:

- 1. Resolution Number 02.14.2019.02 for Amended Engagement Agreement with Barclay Damon** – After review, a motion was made by Mr. Warneck to approve the attached resolution, seconded by Mr. Aliasso. All in favor. Carried.

VIII. Counsel:

- 1. Authorizing Resolution Number 02.14.2019.03 for Turning Point LLC** – It was noted that the project will get sales tax abatement only. Mr. Jennings asked if approval is needed by the affected taxing jurisdictions. Mr. Zembiec said no. After review and discussion, a motion was made by Mr. Warneck to approve the attached resolution, seconded by Mr. Aliasso. Roll call vote was taken. Mr. Converse – Yea, Mr. Jennings – Yea, Mr. Aliasso – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea, Mr. Johnson – Absent, and Ms. L’Huillier – Yea. Carried.

Executive Session

At 9:47 a.m., Mr. Warneck made a motion to go into executive session to discuss ongoing pending litigation, seconded by Mr. Walldroff. All in favor. Board Members and Staff remained. Attorney Russell was excused due to a conflict.

At 10:02 a.m. a motion was made by Mr. Warneck to leave executive session and reconvene the regular board meeting, seconded by Mr. Aliasso. All in favor.

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- IX. Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Aliasso, seconded by Mr. Walldroff. All in favor. The meeting adjourned at 10:02 a.m.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 02.14.2019.01

RESOLUTION FOR AUTHORIZING A MICRO ENTERPRISE LOAN TO
Jamie Hubbard & Jessica Williams – The Sandwich Bar

WHEREAS, Jamie Hubbard and Jessica Williams requested by application to this Agency a Micro Enterprise Loan in the amount of Nineteen Thousand Dollars (\$19,000.00) to establish a Sandwich Bar in Sackets Harbor, NY, and

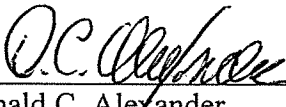
WHEREAS, Staff reviewed this request and recommended approval of a loan in the amount of \$19,000 for a five year amortization with a rate of 5%. Personnel will consist of the two owners and 4 others in year one, and 2 additional employees in year two. Collateral will be a co-proportional first position on the equipment (estimated to be \$15,674 new --net value estimated to be \$7,500), a first position lien on all other assets of the business, and personal guarantees of the owners. Approval of the loan is contingent upon participation by the Sackets Harbor Local Development Corporation for \$19,000, and

WHEREAS, on January 29, 2019 the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed this request and recommended approval of the loan and terms to the full Board of Directors, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approved the request for a Nineteen Thousand Dollar (\$19,000.00) loan to Jamie Hubbard and Jessica Williams for The Sandwich Bar 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.



Donald C. Alexander
CEO

Jefferson County Industrial Development Agency

Resolution Number 02.14.2019.02

RE: Increasing rate for legal services.

At a regular meeting of the **Jefferson County Industrial Development Agency** convened on Thursday February 14, 2019 at 8:30 a.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") TO INSTRUCT THE AGENCY'S CEO TO CONSUMATE AN AMENDED 'ENGAGEMENT AGREEMENT' WITH THE BARCLAY DAMON LAW FIRM (FORMERLY THE MENTER LAW FIRM) OF SUITE 500, 120 WASHINGTON STREET, WATERTOWN, NEW YORK TO PROVIDE LEGAL SERVICES TO THE AGENCY AND GENERAL COUNSEL SERVICES TO THE TWO OTHER RELATED ORGANIZATIONS (JEFFERSON COUNTY LOCAL DEVELOPMENT CORPORATION AND JEFFERSON COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION).

WHEREAS: The **Jefferson County Industrial Development Agency** has, as its mission, the furtherance of economic development activities,

WHEREAS: One of the major considerations when conducting economic development throughout the community is to ensure that all matters pertaining to the Agency's work be done in accordance with all legal and ethical provisions as may be deemed appropriate, and

WHEREAS: The **Jefferson County Industrial Development Agency** has had an agreement with the Menter Law Firm---and this Firm was recently acquired by the Barclay Damon Law Firm---to provide legal service, and

WHEREAS: The Attorney of Record for the Barclay Damon Firm Joseph Russell has requested an increase in the monthly retainer fee from \$750.00 to \$1,000.00 and the effective hourly rate for other than routine Agency business from \$250.00 to \$275.00, and

WHEREAS; the current legal service provision rates have been in effect for in excess of three years, and

WHEREAS: during the intervening period, Attorney Russell and the Barclay Damon Firm have performed all legal services in accordance with our agreements, and

WHEREAS: The **Jefferson County Industrial Development Agency** has been provided an Engagement Agreement with the new rates as stipulated in this Resolution and satisfactory to the Agency and it's CEO,

NOW THEREFORE BE IT RESOLVED BY THE MEMBERS OF THE **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY** THAT:

THE **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY** instructs its CEO to execute a revised Engagement Agreement dated January 12, 2019 with the Barclay Damon Law Firm of Watertown and Syracuse, New York.

This Resolution is to take effect immediately.

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AUTHORIZING RESOLUTION

A meeting of Jefferson County Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency at 800 Starbuck Avenue, in the City of Watertown, Jefferson County, New York on February 14, 2019 at 8:30 a.m., local time.

The meeting was called to order by the Chairperson and, upon being called, the following members of the Agency were:

PRESENT: David Converse, John Jennings, Robert E. Aliasso, Jr., W. Edward Walldroff, Paul Warneck, Lisa L’Huillier

ABSENT: William Johnson

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Jay Matteson, Joseph Russell, Esq., Kent Burto, and Marcus Wolf of the Watertown Daily Times

The following resolution was offered by Mr. Warneck, seconded by Mr. Aliasso, to wit;

Resolution No.: 02.14.2019.03

RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE LEASE-LEASEBACK TRANSACTION WITH TURNING POINT LLC, FOR THE PURPOSE OF RENOVATING AND EQUIPPING AN ABANDONED WAREHOUSE LOCATED AT 0 DOCK STREET IN THE VILLAGE OF CARTHAGE, JEFFERSON COUNTY, NEW YORK AS A RESTAURANT AND BANQUET HALL.

WHEREAS, Jefferson County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job

opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application, including a cost benefits analysis (the “**Application**”), submitted to the Agency by Turning Point LLC (the “**Company**”), wherein the Agency has been requested to consider undertaking a project (the “**Project**”), consisting of the following:

- (A) (1) The acquisition of an interest in that certain property located at 0 Dock Street, in the Village of Carthage, County of Jefferson, New York (the “**Land**”), to be more particularly described in the Lease Agreement, and
 - (2) The renovation and equipping of an existing building on the Land to contain approximately 4400 square feet (the “**Facility**”) and the acquisition and installation thereon of certain machinery and equipment (the “**Equipment**”) to convert an abandoned warehouse into a restaurant and banquet hall (the “**Project**”) (the Land and the Project being collectively referred to as the “**Project Facility**”); and
- (B) The granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, in an amount not to exceed \$65,280.00 (collectively, the “**Financial Assistance**”); and
- (C) The lease or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, a Preliminary Inducement Resolution was duly adopted by the Members of the Agency on December 13, 2018 inducing the Project to proceed following the satisfaction of certain conditions which said Preliminary Inducement Resolution contemplated financial assistance for the Project to include exemption from certain sales and use taxes together with exemption from real property taxes in exchange for the Applicant entering into a Payment in Lieu of Taxes Agreement; and

WHEREAS, subsequent to the adoption of the Preliminary Inducement Resolution by the Agency, the Applicant has withdrawn its request for relief from real property taxes but has reaffirmed its request for relief from certain sales and use taxes; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the members of the Agency adopted a resolution on December 13, 2018 (the "SEQR Resolution") in which the Agency determined (A) that the Project constitutes an "Unlisted Action", (B) therefore that the coordinated review procedures outlined in the Regulations are strictly optional, (C) that the Project will not have a "significant effect on the environment" pursuant to SEQRA and, therefore that no environmental impact statement need be prepared with respect to the Project, and (D) that a negative declaration would be prepared with respect to the Project; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance, the Agency proposes to enter into the following documents with the Company (hereinafter collectively referred to as the "**Agency Documents**"):

- (A) A lease to the Agency (and a memorandum thereof) (the "**Underlying Lease**") by and between the Company, as landlord, and the Agency, as tenant pursuant to which the Company will lease to the Agency the Project Facility; and
- (B) A lease agreement (and a memorandum thereof) (the "**Lease Agreement**") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and to pay all legal fees and expenses incurred by the Agency with respect to the Project. The Lease Agreement shall serve as the Project Agreement pursuant to which the Company will agree to comply with certain recordkeeping and reporting requirements as a condition to relief from certain sales tax obligations including the agreement to comply with the reporting and recapture requirements of Section 875 of the General Municipal Law; and
- (C) Various certificates relating to the Project (the "**Closing Documents**"); and

WHEREAS, the Agency has given due consideration to the Application and to the representations by the Company that the granting by the Agency of the Financial Assistance with respect to the Project will be in an inducement to the Company to undertake the Project in Jefferson County, New York.

NOW, THEREFORE, be it resolved by the members of Jefferson County Industrial Development Agency as follows:

Section 1 The Agency hereby finds and determines that:

- (A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and
- (B) The Project constitutes a "project"; as such term is defined in the Act; and
- (C) The acquisition of the Project Facility and the lease of the Project Facility to the Company will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Jefferson County, New York and the State of New York and improve their standard of living or more particularly described below; and
- (D) It is desirable and in the public interest for the Agency to grant to the Company the relief provided by the Project Agreement, and to enter into the Agency Documents upon the satisfaction of all conditions thereto.
- (E) The granting of the Financial Assistance shall result in the creation of six (6) full time jobs and nine (9) part time jobs for a total of 10.5 new full time equivalent jobs with an estimate annual payroll in the range of \$250,000 to \$330,000.

Section 2 In consequence of the foregoing, the Agency hereby determines that the granting of the Financial Assistance by the Agency with respect to the Project, through the granting of the tax exemptions described herein, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York, and improve their standard of living, and thereby serve the public purposes of the Act.

Section 3 In consequence of the foregoing, and subject to the satisfactions of any conditions as imposed herein or as may be required by the Act, the Agency hereby determines to:

- (A) Proceed with the Project;
- (B) Acquire the Project Facility;
- (C) Accept an Underlying Lease of the Project on terms to be determined by the Agency;
- (D) Lease the Project Facility to the Company pursuant to a Lease Agreement on terms to be determined by the Agency;
- (E) Execute and deliver the other Agency Documents upon terms and conditions satisfactory to the Chief Executive Officer; and

- (F) Execute and deliver the Closing Documents upon terms and conditions satisfactory to the Chief Executive Officer; and
- (G) Grant the Financial Assistance with respect to the Project.

Section 4 The Agency is hereby authorized to acquire a leasehold interest in the Project Facility pursuant to an Underlying Lease and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 5 The Agency is hereby authorized to lease the Project Facility back to the Company pursuant to the Lease Agreement and to do all things necessary or appropriate to renovate, construct and equip the Project pursuant to the terms of the Lease Agreement.

Section 6 (A) The Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions thereto as the Chief Executive Officer shall approve, the execution thereof by the Chief Executive Officer to constitute conclusive evidence of such approval.

(B) The Chief Executive Officer of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 7 The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 8 The Agency hereby determines and finds that although the Project will constitute a project where facilities or property are primarily used in making retail sales of goods or services to customers who personally visit such facilities, the Project is located in a highly distressed area within the meaning of the Act and qualifies for financial assistance pursuant to Section 862 of the Act.

Section 9 This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

<u>David Converse</u>	VOTING <u>YEA</u>
<u>John Jennings</u>	VOTING <u>YEA</u>
<u>Robert E. Aliasso, Jr.</u>	VOTING <u>YEA</u>
<u>W. Edward Walldroff</u>	VOTING <u>YEA</u>
<u>Paul Warneck</u>	VOTING <u>YEA</u>
<u>William Johnson</u>	VOTING <u>ABSENT</u>
<u>Lisa L'Huillier</u>	VOTING <u>YEA</u>

The foregoing Resolution was thereupon declared and duly adopted.