

## 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](http://www.jcida.com)

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### Notice of Board Meeting

**Date:** March 22, 2018

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

**From:** David J. Zembiec

**Re:** Notice of Board of Directors' Meeting

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The Jefferson County Industrial Development Agency will hold a Board Meeting on **Thursday, April 5, 2018 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](mailto:pssampson@jcida.com) at your earliest convenience.

pss

c: Lyle Eaton  
Joseph Russell, Esq.  
Media

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**BOARD MEETING**  
**Thursday, April 5, 2018 - 8:30 a.m.**

**AGENDA**

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Privilege of the Floor**
- IV. Minutes of the Meeting of March 1, 2018**
- V. Treasurer's Report – as of March 31, 2018**
- VI. Committee Reports**
  - a. Loan Review Committee**
    - i. Consider Resolution Number 04.05.2018.01 for The Scrub Hub, LLC**
    - ii. Consider Resolution Number 04.05.2018.02 for Mr. Rick's Bakery, Inc.**
    - iii. Consider Resolution Number 04.05.2018.03 for Wright Brothers, LLC**
- VII. Unfinished Business**
- VIII. New Business**
  - 1. Carthage Specialty Paperboard**
  - 2. Corporate Park:**
    - a. Covenant Review**
    - b. First Student Plans**
- IX. Counsel**
  - 1. Consider Resolution Number 04.05.2018.04 for Clayton Harbor Hotel, LLC**
- X. Adjournment**

**Jefferson County Industrial Development Agency  
Board Meeting Minutes  
March 1, 2018**

**DRAFT**

The Jefferson County Industrial Development Agency held a board meeting on Thursday, March 1, 2018 in the board room at 800 Starbuck Avenue, Watertown, NY.

**Present:** David Converse, Chair, John Jennings, Robert E. Aliasso, Jr., W. Edward Walldroff, Lisa L’Huillier, William Johnson

**Also Present:** David Zembiec, Lyle Eaton, Peggy Sampson, Marshall Weir, Kent Burto, Donald DiMonda, Joseph Russell, Esq., and Marcus Wolf from the Watertown Daily Times

**Excused:** Paul Warneck

**Absent:** None

- I. Call to Order:** Mr. Converse called the meeting to order at 9:02 a.m.
- II. Privilege of the Floor:** Mr. Converse invited guests to speak. No one spoke.
- III. Minutes:** Minutes of the regular meeting held February 1, 2018 were presented. A motion to approve the minutes as presented was made by Mr. Aliasso, seconded by Ms. L’Huillier. All in favor. Carried.
- IV. Treasurer’s Report:** Mr. Aliasso reviewed the financials for the period ending February 28, 2018 along with the delinquent loans. Mr. Eaton said that the Agency received the \$25,000 APEX (Galloo Island) fee. The Agency was notified yesterday that Carthage Specialty Paperboard has filed for Chapter 11. Mr. Eaton said that DANC is the lead lender and indicated that we may write off the loan by the end of the year. The Metro Paper PILOT is still delinquent. Mr. Zembiec said that Staff continues to communicate with them and they are looking for a buyer for the building. After discussion, a motion was made by Mr. Aliasso to accept the financial report of February 28, 2018 as presented, seconded by Mr. Jennings. All in favor. Carried.
- V. Committee Reports:**
  - a. Loan Review Committee**
    - i. Resolution Number 03.01.2018.01 for Dan B. Sampson II d/b/a JuJu 66 Smoothie & Fresh Tea** – After review and discussion, a motion was made by Mr. Aliasso to approve the attached resolution, seconded by Mr. Jennings. All in favor. Carried.
    - ii. Resolution Number 03.01.2018.02 for David and Sherry Cobb d/b/a Painfull Acres** – After review and discussion, a motion was made by Mr. Walldroff to approve the loan modification resolution, seconded by Mr. Aliasso. All in favor. Carried.
- VI. Unfinished Business:** None.

**VII. New Business:**

1. **Corporate Park Plan Review** – Mr. Converse said that Mr. Warneck brought this item up and asked to have it tabled until Mr. Warneck can attend the meeting to discuss his thoughts. Board Members agreed.
2. **Convergys Lease Renewal** – Mr. Converse said that Mr. Alexander had been negotiating with Convergys since the current lease expires September 30, 2018. Mr. Eaton said that Convergys is requesting a three year renewal with all terms and conditions the same. After discussion, a motion was made by Mr. Aliasso to proceed and have counsel prepare documents to extend the current lease for three years, seconded by Mr. Walldroff. All in favor. Carried.

Grant – Mr. Zembiec said that he recently submitted for a \$2,000,000 grant for the Business Complex. He said that we will find out if it has been funded by mid to late April.

**VIII. Counsel:** None.

- 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 9:39 a.m.

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Resolution Number 03.01.2018.01**

**RESOLUTION FOR AUTHORIZING A MICRO ENTERPRISE LOAN TO**  
**Dan B. Sampson, II d/b/a JuJu 66 Smoothie & Fresh Tea**

**WHEREAS**, Dan B. Sampson, II d/b/a JuJu 66 Smoothie & Fresh Tea has requested by application to this Agency a Micro Enterprise Loan in the amount of Thirty Thousand Dollars (\$30,000.00) to be used to establish a smoothie bar and fresh tea in the Salmon Run Mall, and

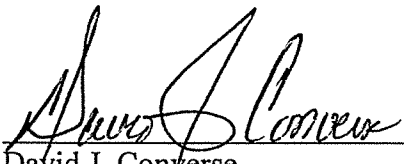
**WHEREAS**, Staff reviewed this request and recommended approval of a loan in the amount of \$30,000 for a five year amortization with a rate of 5%. Personnel will include 2 full time clerks and 2 part time clerks. Collateral will be a first position lien on equipment and personal guarantee of Dan B. Sampson, II. The loan will be contingent on a \$10,000 equity contribution and bank financing, and

**WHEREAS**, on February 20, 2018 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 Thirty Thousand Dollar (\$30,000.00) loan to Dan B. Sampson, II d/b/a JuJu 66 Smoothie & Fresh Tea 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.

  
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David J. Converse  
Chairman

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Resolution Number 03.01.2018.02**

**RESOLUTION FOR AUTHORIZING A LOAN MODIFICATION TO THE  
MICRO ENTERPRISE LOAN COMMITMENT TO  
David and Sherry Cobb d/b/a Painfull Acres**

**WHEREAS**, On February 1, 2018 the JCIDA Board approved a \$30,000 Micro Enterprise Loan to David and Sherry Cobb d/b/a Painfull Acres to be used to purchase an existing Amish Furniture Business located in Sackets Harbor, NY, and

**WHEREAS**, Mr. Cobb notified the Agency that Community Bank refused the loan, and


**WHEREAS**, Staff is now recommending a \$40,000 Micro Enterprise Loan @ 5% for seven years, contingent on a \$10,000 equity contribution and Sackets Harbor LDC (SHLDC) financing of \$30,000. Collateral will be a co-proportional first position lien on the assets of the business, personal guarantees of David and Sherry Cobb, and life insurance equal to the amount of the loan on David and Sherry Cobb, and

**WHEREAS**, on February 20, 2018 the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed this request and recommended approval 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 approves the request and that all other terms and conditions of the original loan commitment remain in effect, 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.

  
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David J. Converse  
Chairman

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
Resolution Number 04.05.2018.01**

**RESOLUTION FOR AUTHORIZING A MICRO ENTERPRISE LOAN TO  
The Scrub Hub, LLC**

**WHEREAS**, The Scrub Hub, LLC has requested by application to this Agency a Micro Enterprise Loan in the amount of Eighteen Thousand Six Hundred Fifty Six Dollars (\$18,656.00) to expand the facility located at 19033 US Route 11, Watertown, and

**WHEREAS**, Staff reviewed this request and recommended approval of a loan in the amount of \$18,656 for a five year amortization with a rate of 5%. There are currently 4 employees with a projection to hire 3 PT Employees over 3 years. Collateral will be a first position lien on the assets of the business and personal guarantee of Bonnie Herman. Contingencies of equity contribution and bank financing, and

**WHEREAS**, on March 30, 2018 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 Eighteen Thousand Six Hundred Fifty Six Dollar (\$18,656.00) loan to The Scrub Hub, LLC 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.

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David J. Converse  
Chairman

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
Resolution Number 04.05.2018.02**

**RESOLUTION FOR AUTHORIZING A MICRO ENTERPRISE LOAN TO  
Mr. Rick's Bakery, Inc.**

**WHEREAS**, Mr. Rick's Bakery has requested by application to this Agency a Micro Enterprise Loan in the amount of Twenty Thousand Dollars (\$20,000.00) to be used as working capital to assist in recovering from the road closure in 2017 and other unanticipated occurrences, and

**WHEREAS**, Staff reviewed this request and recommended approval of a loan in the amount of \$20,000 for a five year amortization with a rate of 5%. There is currently 8 FT and 4 PT employees. They project to create 5 FT employees over three years. Collateral will be personal guarantees of the owners, and

**WHEREAS**, on March 30, 2018 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 Twenty Thousand Dollar (\$20,000.00) loan to Mr. Rick's Bakery 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.

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David J. Converse  
Chairman



**DRAFT**

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
Resolution Number 04.05.2018.03**

**RESOLUTION FOR AUTHORIZING A MODIFICATION TO THE REVOLVING  
LOAN TO WRIGHT BROTHERS, LLC**

**WHEREAS**, Wright Brothers, LLC has requested a six-month principal moratorium and a new maturity date, and

**WHEREAS**, on March 15, 2018, the Watertown Local Development Corporation as lead agency approved the request, and

**WHEREAS**, Staff recommended a six month principal moratorium retroactive to February 1, 2018 until July 1, 2018 as well as extending the maturity date by five years. The balloon payment will be due February 1, 2023, and

**WHEREAS**, on March 30, 2018 the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed this request and agreed to move the request 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 staff's recommendation for the modification request and that all terms and conditions of the original loan remain in effect, 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.

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David J. Converse  
Chairman

**DRAFT**

**RESOLUTION NUMBER 04.05.2018.04  
APPROVING CERTAIN MORTGAGES FROM JEFFERSON COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY AND CLAYTON HARBOR HOTEL, LLC  
TO NORTHWEST BANK**

**WHEREAS**, the Jefferson County Industrial Development Agency, Jefferson County, New York (the “Agency”) has previously adopted a Lease/Leaseback Resolution for the Clayton Harbor Hotel, LLC Project (the “Project”). The Project, pursuant to that Resolution was subsequently leased to the Agency and then leased back by the Agency to the Clayton Harbor Hotel, LLC (the “Company), and

**WHEREAS**, at the request of the Company, the Agency and the Company executed and delivered a certain \$14,791,855.42 mortgage (the “Existing Mortgage”) to Northwest Savings Bank, and

**WHEREAS**, the Company has indicated that it intends to refinance the Existing Mortgage, and cross collateralize the Company’s property with related properties in other areas of the state, and the Company has requested that the Agency together with the Company execute and deliver four separate mortgages to Northwest Bank which, together with mortgages on the properties in other areas of the state will secure in total and indebtedness of \$62,462,000 (the “New Mortgages”).

**NOW, THEREFORE, BE IT RESOLVED** that the New Mortgages are hereby approved and the Agency shall join the Company in the execution thereof, and be it further

**RESOLVED** that the CEO or any other officer of the Agency is hereby authorized to execute and deliver the New Mortgages in substantially the same form as presented to this meeting and to execute and deliver all other documents necessary to carry out the intent of this resolution.

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:

_____ David Converse _____	VOTING _____
_____ John Jennings _____	VOTING _____
_____ Robert E. Aliasso, Jr. _____	VOTING _____
_____ W. Edward Walldroff _____	VOTING _____
_____ Lisa L’Huillier _____	VOTING _____
_____ Paul Warneck _____	VOTING _____
_____ William Johnson _____	VOTING _____

The foregoing Resolution was thereupon declared and duly adopted.