

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: August 23, 2018

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

The Jefferson County Industrial Development Agency will hold a Board Meeting on Thursday, September 6, 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 at your earliest convenience.

pss

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

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BOARD MEETING

Thursday, September 6, 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 August 2, 2018**
- V. Treasurer's Report – as of August 31, 2018**
- VI. Committee Reports**
 - a. Loan Review Committee**
 - i. Wright Brothers LLC**
 - ii. Resolution Number 09.06.2018.01 for Main Street Crafts and Drafts**
 - iii. Resolution Number 09.06.2018.02 for Long Falls Paperboard**
 - iv. Resolution Number 09.06.2018.03 for BICC Brothers of NNY, LLC**
 - v. Resolution Number 09.06.2018.04 for Carthage Specialty Paperboard**
 - vi. Galloo Island Wind LLC – Interrogatory/Document Request**
- VII. Unfinished Business**
 - 1. Authorities Budget Office Audit (Sales Tax Exemptions 2016-2017)**
- VIII. New Business**
 - 1. Traffic Study at Jefferson County Corporate Park**
- IX. Counsel**
 - 1. Opal Development, LLP vs. JCIDA / Car-Freshner Corporation et al v. The Town of Watertown New York et al**
- X. Adjournment**

**Jefferson County Industrial Development Agency
Board Meeting Minutes
August 2, 2018**

The Jefferson County Industrial Development Agency held a board meeting on Thursday, August 2, 2018 at the Wellesley Island Rift Camp.

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

Also Present: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Marshall Weir, Jay Matteson, Joseph Russell, Esq., Greg Gardner, Rich Duvall, and Scott Gray (Chair of the Jeff Co Board of Legislators)

Excused: None

Absent: None

- I. Call to Order:** Mr. Converse called the meeting to order at 9:42 a.m.
- II. Privilege of the Floor:** Mr. Converse invited guests to speak. No one spoke.
- III. Minutes:** Minutes of the regular meeting held July 12, 2018 were presented. Mr. Aliasso pointed out a typo on page 2, Unfinished Business, Number 5. He said that 492 of the GML should be 892-E of the GML. A motion to approve the minutes as amended was made by Mr. Warneck, seconded by Mr. Jennings. All in favor. Carried.
- IV. Treasurer's Report:** Mr. Aliasso reviewed the financials for the period ending July 31, 2018 along with the delinquent loans.

Carthage Specialty Paperboard – Mr. Eaton said that we will probably write this account off at the end of the fiscal year.

Wright Brothers, LLC – Mr. Alexander said that Bruce Wright emailed Don Rutherford on Tuesday to let him know that he is deciding whether or not he will follow through on the contingency of the modification to hire a commercial real estate broker. Mr. Eaton pointed out that no payments have been made for several months. Further discussion held under unfinished business.

BICC Brothers – Mr. Eaton pointed out that both stores were sold back to the company in December 2017. He said that he asked NCA (lead agency) if they filed UCC's and they did. He will continue to work with NCA.

RC Spot – Mr. Eaton said that he spoke with Ryan Chaif. He said that Mr. Chaif indicated that he wasn't aware that they were 3 months behind. Mr. Eaton indicated that he would visit the Skewed Brewing location in the Salmon Run Mall to see if equipment has been moved, since we have a lien on the equipment and it may have been moved to Lowville or Syracuse.

Metro Paper – The PILOT for last year is still outstanding. Mr. Eaton said that he will be billing this year's PILOT in September.

**Jefferson County Industrial Development Agency
Board Meeting Minutes
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After discussion, a motion was made by Mr. Aliasso to accept the financial report of July 31, 2018 as presented, seconded by Mr. Jennings. All in favor. Carried.

V. Committee Reports: None.

VI. Unfinished Business:

1. **Little Sisters Inn** – Mr. Eaton said that he discovered that an auction has been arranged, but noted that the board abandoned the equipment; therefore no action needed to be taken.
2. **Wright Brothers, LLC** – Mr. Warneck pointed out that two modifications have been approved for this company within the last six months. He suggested conducting a joint meeting with the Watertown Local Development Corporation in the future so that we can provide some input before they make their approvals, and not just approve a modification because they did. Mr. Gray said that a plan should be in place since it goes beyond the financial situation (i.e. health department). Ms. L’Huillier feels that the company should catch up on payments when a modification is made.
3. **Convergys** – Mr. Alexander said that the current agreements expire September 30, 2018. He said that he along with other staff have been working with Convergys and the City of Watertown and County of Jefferson to extend the agreements for an additional 3 years. Attorney Russell has drafted the agreements and they are being considered by the respective parties. Mr. Zembiec noted that the documents will continue to use Stream NY as the legal entity.
4. **Apex (Galloo Island)** – Mr. Aliasso asked where we are at with meeting with the affected taxing jurisdictions (ATJ’s). Mr. Alexander said that his concern at the moment is finding and providing enough information for the school regarding the 2% tax cap. Mr. Aliasso wanted to know the starting point, because he said that he objects to the straw man proposal Mr. Alexander put in front of the developer and noted that it had not been approved by the board. Mr. Alexander acknowledged his mistake. Mr. Zembiec said the starting point for negotiations will be when the School and Town deliberate and come back to us with their proposal for a PILOT payment.

Mr. Warneck asked if we are able to give a PILOT for the transmission line if the developer comes back with an application. Attorney Russell said that he would check into it. Mr. Warneck also wanted to know if we got permission from Oswego to extend benefits of the transmission line. Mr. Alexander said not yet.

Mr. Gray indicated that it may be time to bring in the specialist the County hired to have an overview discussion with the ATJ’s.

5. **ReEnergy** – Mr. Alexander said that he thought we had an agreement between the ATJ’s for a backstop PILOT starting January 1, 2019. However, it was discovered that the Town Assessor already moved the project from Roll Section 8 to Roll Section 1 on May 1, 2018 even though the current PILOT expires December 31, 2018. Mr. Alexander also noted the potential grievance over the assessment of \$32M, when the company says it should be \$7M.

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Board Meeting Minutes
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Mr. Alexander said that ReEnergy is willing to accept an assessment of \$19.2M so they do not have to engage in a fight with the community.

Mr. Johnson asked why they need another PILOT. Mr. Alexander said that the market is way down, the company has closed two biomass plants, and we don't want it to become an issue for Fort Drum.

Mr. Warneck said that if the assessment is proper, then we shouldn't interfere. He wanted to know how this mess can be fixed even though it was no cause of the Agency. Mr. Alexander said that we need to resolve what the assessor did and enter into a new agreement. Board Members advised staff to work with the ATJ's to continue the process.

VII. New Business: None.

VIII. Counsel:

1. **Opal Development LLC v. JCIDA** – Attorney Russell said that the judge dismissed the first lawsuit; however, a notice of appeal was filed. Attorney Russell indicated that a second lawsuit has been filed, even though we haven't been served yet. He said the second lawsuit is for allegations that the Agency failed to comply with SEQR when we approved the building and violation of the open meetings law. Attorney Russell thinks the SEQR is a non-issue.
2. **Menter Rudin merged with Barclay Damon** – Attorney Russell said that effective yesterday the Menter Firm merged and will now be represented as Barclay Damon. He said that they now represent 11 IDA's across the state.

IX. Adjournment: With no further business before the board, a motion to adjourn was made by Mr. Aliasso, seconded by Mr. Jennings. All in favor. The meeting adjourned at 11:21 a.m.

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 09.06.2018.01**

**RESOLUTION FOR AUTHORIZING A MICRO ENTERPRISE LOAN TO
Main Street Crafts and Drafts LLC**

WHEREAS, Main Street Crafts and Drafts LLC has requested by application to this Agency a Micro Enterprise Loan in the amount of Seven Thousand One Hundred Fifty Dollars (\$7,150.00) to establish a DIY Crafts and Art Bar in Sackets Harbor, NY, and

WHEREAS, Staff reviewed this request and recommended approval of a loan in the amount of \$7,150 for a five year amortization with a rate of 5%. The owners will operate the business for the first three years and anticipate hiring 2 employees in year three. The owners have provided a list of the equipment they own; valued at \$7,628. A UCC will be filed covering all of the assets of the business and we will require personal guarantees of Brian Topping and Christine Grimes Topping. Approval contingent on participation by the Sackets Harbor Local Development Corporation for \$7,150, and

WHEREAS, on August 28, 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 Seven Thousand One Hundred Fifty Dollar (\$7,150.00) loan to Main Street Crafts and Drafts 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.

W. Edward Walldroff
Secretary

DRAFT

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 09.06.2018.02**

**RESOLUTION FOR AUTHORIZING A REVOLVING LOAN TO
Long Falls Paperboard**

WHEREAS, Long Falls Paperboard has requested a Revolving Loan in the amount of Three Hundred Thousand Dollars (\$300,000.00) to purchase and run the Carthage Mill subsequent to Chapter 11, and

WHEREAS, Staff has reviewed the request and recommends an exception to the \$250,000 RLF limit for a \$300,000 RLF at 6% interest and interest only for 12 months and then a four year amortization; also exceptions. Agency funding to be termed out after Bond Issue. Total project amount is to be determined. They will maintain approximately 74 FTEs and increase slightly over three years. Collateral will be a co-proportional second position on the assets of the Corporation. Loan contingent upon participation by the North Country Economic Development Fund and the North Country Alliance, and

WHEREAS, on August 28, 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 approved the request for a Three Hundred Thousand Dollar (\$300,000.00) loan to Long Falls Paperboard 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.

W. Edward Walldroff
Secretary

DRAFT

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 09.06.2018.03**

**RESOLUTION FOR AUTHORIZING A WRITE OFF TO THE MICRO ENTERPRISE
LOAN FUND TO
BICC BROTHERS OF NNY, LLC (Jake's WayBack Burgers)**

WHEREAS, Staff recommended approval to write off this account that has a balance due of \$20,453.25 and will continue to pursue all legal actions and collection efforts, and

WHEREAS, on August 28, 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 to write off this account and continue collection procedures, 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.

W. Edward Walldroff
Secretary

DRAFT

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 09.06.2018.04**

**RESOLUTION FOR AUTHORIZING A WRITE OFF TO THE REVOLVING LOAN
FUND TO
CARTHAGE SPECIALTY PAPERBOARD**

WHEREAS, Staff recommended approval to write off this account that has a balance due of \$196,119.95, and

WHEREAS, on August 28, 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 to write off this account, 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.

W. Edward Walldroff
Secretary