

**Jefferson County Industrial Development Agency
Loan Review Committee Meetings Minutes
January 29, 2019**

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

Also Present: Don Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Lisa LøHuillier, Jamie Hubbard, Jessica and Valerie Williams, and Marcus Wolf from the Watertown Daily Times (arrived at 8:11 a.m.)

Excused: None

I. Call to Order: Chair Aliasso called the meeting to order at 8:06 a.m.

II. Pledge of Allegiance

III. Jamie Hubbard and Jessica Williams – The Sandwich Bar – A request from the Micro Enterprise Loan Fund in the amount of \$19,000.00 to be used to establish a Sandwich Bar in Sackets Harbor, NY. 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 will be contingent upon participation by the Sackets Harbor Local Development Corporation for \$19,000.

Mr. Aliasso noted that there will be a minor deviation for the equity participation.

Ms. Hubbard said that her and Jessica both live in the village of Sackets Harbor and want to support the village and believes that the grab-n-go sandwich shop is needed in the community. She said that they worked with Sarah from the Small Business Development Center in developing the business plan and making projections.

Ms. Hubbard handed out the menu. She said they plan to open April 1st and plan to stay open year-round and adjust schedules as needed to accommodate customers. She indicated that they will use word-of-mouth, free T.V. commercials, and signage to market the business. She said that she feels comfortable with her chosen employees. Mr. Converse suggested they hire a payroll service. Ms. Hubbard agreed and indicated that the Small Business Development Center provided her a list of potential businesses they can use.

Ms. Williams indicated that while she is currently active duty in the Army at Fort Drum, she plans to transition to a civilian within the next year. She said that her and her husband bought a house in Sackets Harbor and plan to stay after she gets out of the

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 Loan Review Committee Meetings Minutes
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Army. Ms. Williams said that they plan to use local products from businesses like Renzi's and Mr. Rick's Bakery. She said she also has contact with a bakery on post and will be in touch with many of the soldiers located in the barracks in Sackets Harbor.

Mr. Jennings asked if we received enough financial information from Ms. Hubbard since she only reported an automobile loan. Mr. Eaton said it was reported on the personal financial statement and indicated that we also received tax returns and FICO Credit Report and indicated that it is sufficient.

Mr. Converse cautioned the owners on the proposed construction budget for renovations to their location. He feels \$5,000 may not be enough. However, Ms. Hubbard said her husband was the architect and created the plans and Jessica's dad is in construction, so while she welcomed the concern, she feels comfortable at this time. She indicated that they can adjust the plans if needed and hold off on certain improvements until year two.

After review and discussion, a motion was made by Mr. Converse, seconded by Mr. Jennings to move the request to the full board at the next monthly meeting. All in favor. Carried.

Ms. Hubbard and Ms. Williams left the meeting at 9 a.m.

IV. Other/Unfinished Business:

- 1. Turning Point Restaurant** – Mr. Zembiec said that the Carthage Central School District Board of Education approved the 485(b) last night. Committee members discussed modification of the PILOT request to providing only sales tax abatement for the project. Committee members indicated that the maximum amount calculated for sales tax abatement will be \$65,280 and agreed that the IDA fee will be \$15,000.

Calculation of the estimated Sales Tax Benefit:

| | <u>Total Project</u> | <u>Taxable</u> |
|------------------------|----------------------|----------------------------|
| Land | 100,000 | 0 |
| Renovations | 1,220,000 | 610,000 (50%) |
| Restaurant Equipment | 126,000 | 126,000 |
| Furniture & Fixtures | 30,000 | 30,000 |
| Engineering/Soft Costs | 50,000 | 50,000 |
| Total Costs | <u>\$1,526,000</u> | <u>\$816,000 (Taxable)</u> |
| | | <u>\$65,280</u> |

Estimate Sales Tax @ 8%

This will be the not to exceed amount entered on the ST-60

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Loan Review Committee Meetings Minutes
January 29, 2019**

Mr. Eaton indicated that the client can come back to the IDA to modify the ST-60 if there are overruns. He said that he has a system in place for monitoring the project on a yearly basis.

After discussion, a motion was made by Mr. Jennings to move the modification to only include sales tax abatement with estimated sales tax of \$65,280 and the IDA fee of \$15,000 to the full board of directors, seconded by Mr. Converse. All in favor.

- V. Adjournment:** With no further business before the committee, a motion was made by Mr. Converse to adjourn the meeting, seconded by Mr. Jennings. The meeting adjourned at 9:25 a.m.