

**Jefferson County Industrial Development Agency  
Loan Review Committee Meetings Minutes  
November 27, 2018**

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

**Also Present:** Don Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, William Johnson, Paul Warneck, Robert Gould, William Gaudette, Natalie Kuco from Channel 7 News, and Marcus Wolf from the Watertown Daily Times

**Excused:** None

**I. Call to Order:** Chair Aliasso called the meeting to order at 8:01 a.m.

**II. Robert L. Gould – UPS Store in Alex Bay, NY –** A request from the Micro Enterprise Loan Fund in the amount of \$40,000.00 to be used to establish a new UPS Store in Alex Bay, NY. Staff reviewed this request and recommended approval of a loan in the amount of \$40,000 for a five year amortization with a rate of 5%. The owner anticipates two employees in year one and adding two additional employees in year two and one more employee in year three. A personal guarantee of Robert L. Gould along with assignment of life insurance equal to the amount of the loan. Approval of the loan will be contingent upon bank participation and securing adequate collateral.

Mr. Gould spoke about his business proposal and the UPS brand which he said is a great brand that is recognized nationally. He indicated that he has spoken to potential Canadian clients and will have contracts with businesses such as Amazon for shipping purposes. He said that there is a lot of training and advice available as a UPS Store franchise owner and indicated that he and his son have the work ethic to accomplish their goals. He indicated that the LLC has now been established.

Mr. Jennings asked how the Canadian clients will be notified that their package has arrived. Mr. Gould said that they will use software that will inform the client.

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.

Mr. Gould left the meeting at 8:28 a.m.

**III. William & Debra Gaudette – Above Reality Virtual Sports Complex –** A request from the Micro Enterprise Loan Fund in the amount of \$40,000.00 to be used to establish a virtual reality sports complex in Watertown, NY. Staff reviewed this request and recommended approval of a loan in the amount of \$40,000 for a five year amortization with a rate of 5%. The owner anticipates one part-time employee in year one, one additional employee in year two and one more employee in year three. Collateral will be a second position on the assets of the business and personal guarantees of William and

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Debra Gaudette. Owners will allow a second mortgage on their property located at 170 Cedar Street, Watertown, NY (first mortgage is held by Northern Federal Credit Union). Key man life insurance equal to the amount of the loan is required on William Gaudette. Approval of the loan is contingent upon bank participation.

Mr. Aliasso thanked Mr. Gaudette for his years of service in the military.

Mr. Gaudette apologized that his wife Debra could not be at the meeting, but indicated that committee members could call her to ask questions if they need to.

Mr. Gaudette spoke about his business proposal. He said that he moved here in 1990 and indicated that there is not a lot to do here in the winter. He said that he ran the simulation at Fort Drum as well as in Afghanistan and indicated that he would like to tailor his business to the millennials and their needs, but said that his business will provide enjoyment for the entire population.

Mr. Gaudette said that local banks are not willing to participate, so he is currently working with a bank through the VA in Syracuse; however, they have a high interest rate. He said that he plans to start with 5 simulators, 4 of which will be golf and the other will be multi-sport. He said there will be a café offering wine and beer, but indicated that it will not be available when kids are present.

Mr. Gaudette spoke briefly about his community activities which include him being president of the North Country Community Cup, being a volunteer firefighter and participant of the American Heart Association as well as other organizations.

Mr. Gaudette said the landlord is willing to provide the space for \$5,000 per month for the first 3 years and is renovating the space to accommodate his business. He said the location is great for parking, food and quick access to Interstate 81. Mr. Gaudette said that he spoke to several groups (i.e. local law enforcement, DEC for hunter safety, etc.) to be able have virtual training available for them. He also has spoken to Dicks and Gander about working together promoting each other's businesses.

Mr. Gaudette said that he will continue to work at New York Air Brake and his wife will continue to work at JCC and they plan to hire a semi-pro golf player.

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.

Mr. Gaudette left the meeting.

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- IV. RC Spot LLC** – A letter was received apologizing for the delay in payments and the misunderstanding of the notification of equipment relocation. It was noted that there has been a high turnover in the bookkeeper position along with several new projects, and it was a lack of oversight. The letter also noted that Watertown Savings Bank and SBA/NYBDC were notified of the equipment relocation, but the owners indicated that there were not aware the IDA needed to be informed. They have asked the IDA to reconsider their decision to call the loan since they feel it will be devastating to their business to pay the remaining balance at this time. They employ an average of 25 people at Skewed Brewing.

Mr. Eaton said that Mrs. Chaif told him that some of the equipment was sold and new equipment was purchased. Mr. Eaton asked Mrs. Chaif to provide a list of the equipment that was sold and purchased.

Mr. Eaton recommended asking Attorney Russell to write a letter advising them to stay current for the remainder of the loan or they will be considered in default and the loan would be called. Committee members agreed and said it will be discussed by the full board of directors at the next monthly meeting.

**V. Other/Unfinished Business:**

- 1. Clayton Loan Program** – Mr. Converse said he thought the loan program would be under the Jefferson County Local Development Corporation since it can't fall under the JCIDA RLF program or the MICRO program because it's almost tapped out.

Mr. Aliasso said that he would like to see some backing from the municipality for their local oversight, but Mr. Converse said that he didn't think they can do that legally.

Mr. Alexander indicated that the Clayton Local Development Corporation (Clayton LDC) will setup their own loan program for this project as well. He said that the Clayton merchants are worried about the project and noted that he met with one yesterday. Mr. Alexander said the main focus would be the main street downtown, but Mr. Converse asked Mr. Alexander to find out about a specific corridor.

Mr. Warneck suggested letting the Clayton LDC do the administrative work and make a recommendation to the JCLDC.

Committee members felt that the JCLDC is the better mechanism for this program and instructed Mr. Alexander to reach out to the Clayton LDC to see if they agree with the approach discussed today.

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- 2. Turning Point Restaurant** – Mr. Zembiec included a summary and proposed PILOT schedule in the read ahead material. He said that the building at the project site has been vacant for approximately 20 years and indicated that the new owners have received a Restore NY grant for the \$1.5M project. It was noted that the project site is located in a distressed area in regards to the retail determination. Mr. Zembiec said that due to the PILOT deviation he notified the Town and Village to see if there was interest in considering a PILOT which occurred at their October board meetings. He said that he has reached out to the Carthage Central School District and the County Administrator and will be supplying them with more information in the near future. It was noted that there will not be any mortgage recording tax since the couple already bought the building; however, the applicants are requesting a PILOT with sales tax abatement. One issue noted was for parking for the restaurant. The owners are currently addressing the issue.

After discussion, the committee asked staff to have Attorney Russell prepare a Preliminary Inducement Resolution for the December 6<sup>th</sup> board meeting. A motion was made by Mr. Converse, seconded by Mr. Jennings to move the application to the full board of directors with a Preliminary Inducement Resolution. All in favor.

Mr. Jennings left the meeting at 9:45 a.m.

- 3. Metro Paper** – Mr. Warneck asked what we would lose if we say they are in violation and transfer the property back and wondered how long we can let this go. He noted that the facility is to be leased out and they will have revenue and not paying their local costs. He suggested staff think about what options we have. Mr. Aliasso suggested talking about this issue again by next March to see what will transpire between now and then.

- VI. Adjournment:** With no further business before the committee, Mr. Aliasso adjourned the meeting at 9:56 a.m.