

**Jefferson County Industrial Development Agency
Board Meeting Minutes
January 3, 2019**

The Jefferson County Industrial Development Agency held their board meeting on Thursday, January 3, 2019 in the board room at 800 Starbuck Avenue, Watertown, NY.

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

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

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

Excused: None

Absent: None

- I. Call to Order:** Mr. Converse called the meeting to order at 8:15 a.m.
- II. Privilege of the Floor:** Mr. Converse invited guests to speak. No one spoke.
- III. Minutes:** Minutes of the regular meeting held December 13, 2018 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 December 31, 2018 along with the delinquent loans. Mr. Aliasso indicated that discussion regarding the Metro Paper delinquent PILOT payments should be revisited in March. Mr. Eaton reported that Wright Brothers is still behind. Mr. Aliasso suggested that it may be time to revisit this loan. Mr. Eaton pointed out that the WLDC is lead agency and that Don Rutherford should be a part of the meeting.

It was noted that Mr. Rickø Bakery is behind. Mr. Eaton indicated that it may be seasonal. Ms. Powers said that their business may see an increase since Alteriø Bakery recently closed.

After discussion, a motion was made by Mr. Aliasso to accept the financial report of December 31, 2018 as presented, seconded by Mr. Johnson. All in favor. Carried.

- V. Committee Reports:** None.
- VI. Unfinished Business:**
 - 1. William Gaudette - Above Reality Virtual Sports Complex 90-day Bridge Loan** – Mr. Alexander provided project background. He said that the Board previously approved a \$40,000 participation loan with the Watertown Local Development Corporation as lead lender, but indicated that the WLDC is taking a mortgage on the Gaudettes house which has resulted in a closing delay. Mr. Gaudette thought that he would be able to close sooner to take advantage of pricing to purchase the simulators which is only good until the end of

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January. It was noted that Mr. Gaudette was declined by Community Bank for a personal loan for which he applied, because the Bank thought that they would be behind the public agencies for the collateral position. Mr. Eaton said that would not be the case.

A request for a \$53,290 bridge loan to purchase simulators at 5%, interest only, not to exceed 120 days or due at closing, whichever comes first. The IDA will have a first position on the equipment and a personal guarantee of William Gaudette. Attorney Russell said that there is a risk if the loan does not close. Mr. Aliasso pointed out that the request did not go to Loan Review because of the timing issue. After review and discussion, a motion was made by Mr. Aliasso to approve the bridge loan as outlined above, seconded by Mr. Johnson. All in favor. Carried.

VII. New Business: None.

VIII. Counsel:

- 1. Recapture Policy** – Attorney Russell said that he massaged the draft policy and amplified revisions on the sales tax recapture section. Attorney Russell and Board Members agreed that material factors of a project should be included in the approving resolution. Mr. Aliasso asked if there is a recap at the end of each year besides the PARIS report on our website. Mr. Zembiec said that staff analyzes the data received for each project and would alert the Board if a problem arises.

After review and discussion, a motion was made by Mr. Aliasso to approve the proposed recapture policy as presented, seconded by Mr. Jennings. All in favor. Carried.

Other ó

Metro Paper ó Mr. Warneck asked about the Metro Paper PILOT. Mr. Eaton said that the PILOT is due September 1st of each year, said that there are two delinquent PILOT payments, and indicated that this is the last year of the PILOT. Mr. Warneck asked if there is any progress in moving it along for PettaWatt to move in the facility. Mr. Alexander said that PettaWatt has temporarily moved into the facility already and they are arranging a meeting regarding the sewer/water issues. Mr. Warneck asked if staff has identified other locations to keep them in Jefferson County. Mr. Zembiec said yes. Mr. Alexander said that if the Metro Paper facility does not work, we will assist where we can.

Turning Point LLC ó Mr. Aliasso asked if the approving resolution will be ready to be considered at the February meeting. Mr. Zembiec said that he will be meeting with County officials soon and noted that Attorney Russell will schedule the public hearing; therefore, it should be ready.

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 8:55 a.m.