

**Jefferson County Industrial Development Agency
Board Meeting Minutes
December 13, 2018**

The Jefferson County Industrial Development Agency held their board meeting on Thursday, December 13, 2018 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 L'Huillier

Also Present: Joseph Russell, Esq., David Geurtsen, Esq., Christine Powers, Rich Duvall, Neil Habig, Tim Scee, Clif Schneider, Kathryn Muschell, Claudia Maurer, John Culkin, Briggs McAndrens, and Marcus Wolf of the Watertown Daily Times

Staff Present: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Marshall Weir, Jay Matteson

Excused: None

Absent: None

- I. Call to Order:** Mr. Converse called the meeting to order at 9:08 a.m.
- II. Privilege of the Floor:** Mr. Converse invited guests to speak. No one spoke.
- III. Minutes:** Minutes of the regular meeting held November 1, 2018 were presented. A motion to approve the minutes as presented was made by Mr. Jennings, seconded by Mr. Aliasso. All in favor. Carried.
- IV. Audit Report for 2017-2018 (Bowers & Company) –** A review of the report was held in the JCLDC board meeting as follows:

Mr. Olson presented a clean unmodified opinion. He said that board members can review pages 4-15 which is the Management Discussion and Analysis that was prepared by management at their own leisure. Note 4 on page 28 shows an allowance for bad debt. He said he mentioned it since there is a management letter related to it. For the RLF, he said that in the current year there was a recovery of \$5,600, there was a bad debt adjustment on their end of \$269,000 and the write off of \$196,000 for Carthage Specialty Paperboard.

JCCFDC – Mr. Olson said that the JCCFDC is sitting on cash of approximately \$5,800. He said there was a \$166,500 fee related to the Samaritan Bond that was transferred to the IDA. Overall, the JCCFDC had a loss of \$3,500.

The Internal Controls and Investment Reports were attached as required by PARIS.

Mr. Olson said there was one corrected misstatement on page 4 to adjust the RLF allowance to actual as of 9/30/18. The management letter comment and their recommendation is to review year end allowance as of 9/30. He said that the bad debt allowance was taken to the board, but wasn't posted until October 2018 and per the policy it should be posted at year end (9/30). It was

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noted that there are two areas of allowance – specific (over and above the policy) and general calculation based on accounts receivable.

A motion was made by Mr. Aliasso to accept the audit as presented, seconded by Ms. L’Huillier. All in favor. Carried.

- V. Treasurer’s Report:** Mr. Aliasso reviewed the financials for the period ending November 30, 2018 along with the delinquent loans. Mr. Aliasso pointed out that 2 PILOT payments are still due for Metro Paper, but further discussion will be had before March 2019. Mr. Eaton reported that Wright Brothers is still 3 months behind and that Benchmark is current.

After discussion, a motion was made by Mr. Aliasso to accept the financial report of November 30, 2018 as presented, seconded by Mr. Johnson. All in favor. Carried.

VI. Committee Reports:

a. Loan Review Committee

- i. RC Spot LLC** – Mr. Aliasso recapped the situation and indicated that the loan is current and there was no loss of jobs in Jefferson County with the relocation of the equipment.
- ii. Resolution Number 12.06.2018.01 for Robert L. Gould (UPS Store in Alex Bay, NY)** – After review and discussion, a motion was made by Mr. Warneck to approve the attached resolution, seconded by Ms. L’Huillier. All in favor. Carried.
- iii. Resolution Number 12.06.2018.02 for William & Debra Gaudette (Above Reality Virtual Sports Complex)** – After review and discussion, a motion was made by Ms. L’Huillier to approve the attached resolution, seconded by Mr. Aliasso. All in favor. Carried.

VII. Unfinished Business:

- 1. Updated Status of Galloo Island Wind Project** – Neil Habig said he first wanted to clarify the letter the Board sent regarding the interrogatory document. He said that Apex’s response to the document was a final document and not a draft as initially presented to the IDA Board. He said that PSC issued the request and even though it was not confidential, it also wasn’t meant to be public. He said that the letter presented criticism and he was disappointed at the substance of the letter.

Mr. Habig indicated that the project has changed from 30 turbines to 24 turbines and indicated that he plans to amend the application. He said that the construction timetable has been moved from 2020 to 2021. He also said that the height changed slightly.

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Mr. Habig addressed the bald eagle nest on the island. He said that the caretaker said it was not active for breeding during the investigation. However, the judge said that applicable documents need to be updated to note the presence of the eagles nest.

Mr. Aliasso asked if there will be special lighting. Mr. Habig indicated that there will not be any additional lighting. He said that they use an ADLS system that activates when aircraft approaches. He indicated that new coordinates were submitted to the FAA.

Mr. Warneck said that the school opted out of Section 487 of Real Property Tax Law; therefore, they do not have the authority to negotiate a PILOT without opting back in.

Mr. Warneck, speaking as a Town of Hounsfield Resident, indicated that the recent zoning amendment raises issues for IDA and may have unintended consequences that could affect the Airpark. He said that it amends the zoning town-wide to allow wind farms without creating any substantial regulations. He also said there are six pages on solar and four words on wind generation facility. He said that if we are going to support a project, then we need to make sure that it is in compliance. He said that we should convince the Town to develop a comprehensive plan for wind, but acknowledged that it is not our place to tell the Town about their zoning. Messrs. Converse and Jennings agreed that it is not for the IDA to get involved in, but maybe County Planning.

Mr. Aliasso asked Mr. Habig if there is a timeline on intervenor funding. Mr. Habig supplied his thought about it. He said there will be a hearing and testimony closes at some point and subsequent to that there will be briefs. They were scheduled to start their hearings December 10, put a stay in, amend their application and a procedural conference will be scheduled to discuss the timetable. He expects the hearing to take place in February, but it could be longer.

From the IDA's standpoint, our last charge was to staff to meet with the affected taxing jurisdictions and start that process. Mr. Converse acknowledged that Mr. Habig will update the application where applicable and asked Don and Dave where we stand for the meeting with the ATJ's. Mr. Zembiec said that right now the school is analyzing how it will affect them.

Tim Scee said that at the previous night's town board meeting, he introduced a local law of 2019 and will schedule a public hearing rescinding local law of 2018. He said that the mishap was totally his responsibility; it was a misunderstanding with their attorney from Massena, and he never should have moved that forward through to the board. It was a knee-jerk reaction to the Town of Henderson pointing out that their zoning did not allow for wind turbines on Galloo Island.

Mr. Warneck said that his concern is to protect the airport.

Mr. Alexander said the board needs to be cognizant of our role in this process and if necessary we may need to get legal advice on that. Our role is very specific in this process; we are trying to find the best way to tax this facility and to present what we believe to be the best opportunity for advancement of the community. He said that we are not in the business

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to establish zoning or any other criteria that we are going to have to address. He indicated that the process is well underway.

2. **BCA Contract for Airpark** – It was noted that the contract is still being negotiated at this time.
3. **Recapture Policy** – The proposed policy will be presented in January.

VIII. New Business: None.

IX. Counsel:

1. **Environmental Resolution Number 12.06.2018.03 for Scott C. Sauer and Shannon J. Sauer** – Attorney Russell said that Turning Point LLC has been created; therefore, the resolution will need to be amended to replace the Sauer's with the LLC. He said that the applicant filled out Part 1 of the SEQR and the Agency completed Part 2. The project is an unlisted action and will not result in a significant adverse environmental impact.

After discussion, a motion was made by Mr. Warneck to approve the amended resolution, seconded by Mr. Aliasso. Roll call vote was taken. Mr. Converse – Yea, Mr. Jennings – Yea, Mr. Aliasso – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea, Mr. Johnson – Yea, and Ms. L'Huillier – Yea. Carried.

2. **Preliminary Inducement Resolution Number 12.06.2018.04 for Scott C. Sauer and Shannon J. Sauer** – Attorney Russell said that Turning Point LLC has been created; therefore, the resolution will need to be amended to replace the Sauer's with the LLC. Mr. Zembiec said that he and Mr. Alexander met with the Village yesterday. He said they plan to consider their resolution on December 17th. He also said that the School will consider their resolution the same evening and the Town will consider their resolution by December 31st. He said that he will set up a meeting with the County Board of Legislators and indicated that they could consider their resolution in February with final approval by the IDA Board on at the February 7th meeting.

Mr. Zembiec said that this is a \$1.5M project that has received a grant from Empire State Development through the Restore NY Program. He said that our criteria for this project is to save a structure that has been vacant for over 20 years.

After discussion, a motion was made by Mr. Warneck to approve the amended resolution, seconded by Mr. Walldroff. Roll call vote was taken. Mr. Converse – Yea, Mr. Jennings – Yea, Mr. Aliasso – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea, Mr. Johnson – Yea, and Ms. L'Huillier – Yea. Carried.

3. **Opal Lawsuit** – Mr. Converse asked for a motion to go into Executive Session to discuss ongoing litigation. At 10:18 a.m., a motion was made by Mr. Aliasso to go into executive session to discuss ongoing litigation, seconded by Mr. Warneck. All in favor. Attorney Russell left the meeting due to a conflict. Staff, Board Members, JCLDC Board Member Christine Powers, and David Geurtsen, Esq. remained.

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Mr. Jennings and Ms. Powers left the executive session at 10:50 a.m.

At 10:51 a.m., a motion was made by Mr. Aliasso to leave Executive Session and reconvene the regular board meeting, seconded by Mr. Warneck. All in favor.

4. **Traffic Study** – Mr. Warneck wondered if Staff could come up with a concept to develop a RFP along with Corporate Park Tenants and find funding for same.
 5. **Uses for Parks** – Mr. Aliasso thought that we should sit down to develop uses for the Airpark and Ag Park. Mr. Zembiec noted that we already have draft covenants prepared.
- X. **Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Aliasso, seconded by Mr. Warneck. All in favor. The meeting adjourned at 10:57 a.m.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 12.13.2018.01

RESOLUTION FOR AUTHORIZING A MICRO ENTERPRISE LOAN TO
Robert L. Gould – UPS Store, Alex Bay, NY

WHEREAS, Robert L. Gould has requested by application to this Agency a Micro Enterprise Loan in the amount of Forty Thousand Dollars (\$40,000.00) to establish a new UPS Store in Alexandria Bay, NY, and

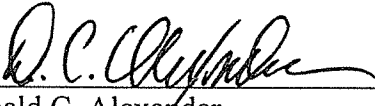
WHEREAS, Staff reviewed this request and recommended approval of a loan in the amount of \$40,000 for a five year amortization with a rate of 5%. The owner anticipates 2 employees in year one and adding 2 additional employees in year two and 1 more employee in year three. A personal guarantee of Robert L. Gould will be required along with assignment of life insurance equal to the amount of the loan. Approval of the loan is contingent upon Bank participation and securing adequate collateral, and

WHEREAS, on November 27, 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 Forty Thousand Dollar (\$40,000.00) loan to Robert L. Gould for the UPS Store in Alexandria Bay, NY 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.



Donald C. Alexander
CEO

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 12.13.2018.02

RESOLUTION FOR AUTHORIZING A MICRO ENTERPRISE LOAN TO
William and Debra Gaudette - Above Reality Virtual Sports Complex

WHEREAS, William and Debra Gaudette requested by application to this Agency a Micro Enterprise Loan in the amount of Forty Thousand Dollars (\$40,000.00) to establish a Virtual Reality Sports Complex in Watertown, NY, and

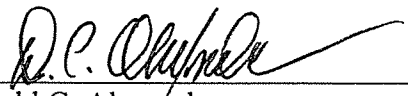
WHEREAS, Staff reviewed this request and recommended approval of a loan in the amount of \$40,000 for a five year amortization with a rate of 5%. The owner anticipates 1 PT employee in year one, 1 additional employee in year two and 1 more employee in year three. Collateral will be a co-proportional first position on the assets of the business and personal guarantees of William and Debra Gaudette. Key man life insurance equal to the amount of the loan is required on William Gaudette. Approval of the loan is contingent upon participation by the Watertown Local Development Corporation of \$40,000 (lead lender), and

WHEREAS, on November 27, 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 Forty Thousand Dollar (\$40,000.00) loan to William and Debra Gaudette for Above Reality Virtual Sports Complex 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.



Donald C. Alexander
CEO

ENVIRONMENTAL RESOLUTION

A meeting of Jefferson County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 800 Starbuck Avenue in the City of Watertown, Jefferson County, New York on December 13, 2018 at 8:30 o'clock a.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

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

ABSENT: None

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Marshall Weir, Joseph Russell, Esq., David Geurtsen, Esq., Christine Powers, Neil Habig, Tim Scee, Clif Schneider, Kathryn Muschell, John Culkin, Claudia Maurer, and Marcus Wolf of the Watertown Daily Times

The following resolution was offered by Mr. Warneck, seconded by Mr. Aliasso, to wit:

Resolution No. 12.13.2018.03

RESOLUTION DETERMINING THAT ACTION TOWARD THE ACQUISITION, RENOVATION, INSTALLATION AND LEASING OF A CERTAIN COMMERCIAL PROJECT FOR **TURNING POINT OF THE BLACK RIVER LLC** WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

WHEREAS, Jefferson County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 369 of the 1971 Laws of New York, as amended, constituting Section 892-e of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Turning Point of the Black River LLC has presented an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in land located at 0 Dock Street, Carthage, New York (the "Land") and the existing building thereon (the "Existing Facility"), the renovation and reconstruction of the Existing Facility (the Land, the Existing Facility, and the Equipment being collectively referred to as the "Project Facility"), such Project Facility to be used to convert an abandoned warehouse into a restaurant and banquet hall; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales and use taxes, real estate transfer taxes, mortgage recording taxes (except as limited by Section 874 of the Act) and real property taxes (the "Financial Assistance") and; (C) the lease (with an obligation to purchase) or sale of the Project Facility to Turning Point of the Black River LLC or such other person as may be designated by Turning Point of the Black River LLC and agreed upon by the Agency; and

WHEREAS, the Agency is a local agency pursuant to the New York State Environmental Quality Review Act ("SEQRA"), ECL Section 8-0101, *et seq.*, and implementing regulations, 6 NYCRR Part 617 (the "Regulations"); and

WHEREAS, undertaking the Project is an Action as defined by SEQRA; and

WHEREAS, a short-form Environmental Assessment Form ("EAF"), dated December 3, 2018, was submitted to the Agency to facilitate a review of the potential environmental impacts of the Project; and

WHEREAS, the Agency has considered the Project and the EAF, together with the Agency's knowledge of the area surrounding the Project, and such further information as is available to the Agency; and

WHEREAS, the Agency has reviewed the classifications of actions contained in the Regulations; and

WHEREAS, the Agency has determined that the Action is an Unlisted Action, as that term is defined in the Regulations, and that coordinated environmental review is not required under SEQRA; and

WHEREAS, the Agency has applied the criteria for determining significance contained in 6 NYCRR Part 617 in order to determine whether the Project may result in a significant environmental impact; and

WHEREAS, the Agency has determined that the Project will not result in a significant environmental impact;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Project is an Unlisted Action pursuant to SEQRA.

Section 2. The Agency assumed responsibility as Lead Agency for its own uncoordinated environmental review of the Project.

Section 3. The Project will not result in a significant adverse environmental impact.

Section 4. Preparation of an Environmental Impact Statement is not required.

Section 5. The basis for this determination is set forth in Part 2 of the Environmental Assessment Form, attached as Attachment A hereto and incorporated by reference herein.

Section 6. A Negative Declaration of significant adverse environmental impact shall be prepared, filed, distributed and published in accord with 6 NYCRR shall be filed at the Agency as required by 6 NYCRR Section 617.12(b)(2).

Section 7. 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 J. Converse	VOTING	<u>YEA</u>
John Jennings	VOTING	<u>YEA</u>
Robert E. Aliasso, Jr.	VOTING	<u>YEA</u>
W. Edward Walldroff	VOTING	<u>YEA</u>
Paul Warneck	VOTING	<u>YEA</u>
William Johnson	VOTING	<u>YEA</u>
Lisa L'Huillier	VOTING	<u>YEA</u>

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
COUNTY OF JEFFERSON) ss.:

I, the undersigned Chief Executive Officer of the Jefferson County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 13, 2018 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 13th day of December, 2018.





Donald C. Alexander
Chief Executive Officer

Agency Use Only [If applicable]

Project:

Date:

Short Environmental Assessment Form Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.

Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

	No, or small impact may occur	Moderate to large impact may occur
1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Will the proposed action result in a change in the use or intensity of use of land?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Will the proposed action impair the character or quality of the existing community?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Will the proposed action impact existing:		
a. public / private water supplies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. public / private wastewater treatment utilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Will the proposed action create a hazard to environmental resources or human health?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PRINT FORM

Agency Use Only [If applicable]

Project:

Date:

Short Environmental Assessment Form Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.

☒ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

Jefferson County Industrial Development Agency

Name of Lead Agency

Donald C. Alexander

Print or Type Name of Responsible Officer in Lead Agency

Signature of Responsible Officer in Lead Agency

12/13/18

Date

CEO

Title of Responsible Officer

Signature of Preparer (if different from Responsible Officer)

PRINT FORM

PRELIMINARY INDUCEMENT RESOLUTION

A meeting of Jefferson County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 800 Starbuck Avenue in the City of Watertown, Jefferson County, New York on December 13, 2018 at 8:30 o'clock a.m., local time.

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

ABSENT: None

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, Marshall Weir, Joseph Russell, Esq., David Geurtsen, Esq., Christine Powers, Neil Habig, Tim Scee, Clif Schneider, Kathryn Muschell, John Culkin, Claudia Maurer, and Marcus Wolf of the Watertown Daily Times

The following resolution was offered by Mr. Warneck, seconded by Mr. Walldroff, to wit:

Resolution No. 12.13.2018.04

RESOLUTION TAKING PRELIMINARY OFFICIAL ACTION TOWARD THE ACQUISITION, RENOVATION, INSTALLATION AND LEASING OF A CERTAIN COMMERCIAL PROJECT FOR TURNING POINT OF THE BLACK RIVER LLC AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT WITH TURNING POINT OF THE BLACK RIVER LLC WITH RESPECT TO SUCH TRANSACTION.

WHEREAS, Jefferson County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and

economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Turning Point of the Black River LLC has presented an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in a parcel of land at 0 Dock Street, in the Village of Carthage, Jefferson County, New York and identified on the latest completed assessment roll for the Village of Carthage as Tax Parcel #86.49-2-1 (the "Land"), (2) the renovation of the existing building on the land to contain approximately 4400 square feet of space (the "Facility"), and (3) the acquisition and installation thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to constitute a restaurant and banquet hall located in a highly distressed area to be operated by Turning Point of the Black River LLC and occupied by Turning Point of the Black River LLC (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, real estate transfer taxes, and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to Turning Point of the Black River LLC or such other person as may be designated by Turning Point of the Black River LLC and agreed upon by the Agency; and

WHEREAS, the Agency has given due consideration to the Application and to representations by Turning Point of the Black River LLC that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to Turning Point of the Black River LLC to undertake the Project in Jefferson County, New York, (B) the completion of the Project Facility will not result in the removal of a plant or facility of Turning Point of the Black River LLC or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of a plant or facility of any proposed occupant of the Project Facility (other than Turning Point of the Black River LLC) located in the State of New York and (C) although the completion of the Project Facility may result in the abandonment of one or more plants or facilities of Turning Point of the Black River LLC located in the State of New York, such abandonment is reasonably necessary to preserve the competitive position of Turning Point of the Black River LLC in its industry; and

WHEREAS, the Agency desires to encourage Turning Point of the Black River LLC to preserve and advance the job opportunities, health, general prosperity and economic

welfare of the people of Jefferson County, New York by undertaking the Project in Jefferson County, New York; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on even date herewith (the "SEQR Resolution"), the Agency has determined that the Project will not have a significant effect on the environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project; and

WHEREAS, pursuant to the Act, any approval of the Project contained herein is contingent upon a determination by the members of the Agency to proceed with the Project following satisfaction of the public hearing and notice requirements and other procedural requirements contained in Section 859-a of the Act that relate to the Project; and

WHEREAS, although the resolution authorizing the Project has not yet been drafted for approval by the Agency, a preliminary agreement (the "Preliminary Agreement") relative to the proposed undertaking of the Project by the Agency has been presented for approval by the Agency.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency has reviewed the Application and based upon the representations made by Turning Point of the Black River LLC to the Agency in the Application and at this meeting and, based thereon, the Agency hereby makes the following findings and determinations with respect to the Project:

(A) The Project constitutes a "project" within the meaning of the Act; and

(B) The completion of the Project Facility will not result in the removal of a plant or facility of Turning Point of the Black River LLC or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of a plant or facility of any proposed occupant of the Project Facility (other than Turning Point of the Black River LLC) located in the State of New York and, although the completion of the Project Facility, may result in the abandonment of one or more plants or facilities of Turning Point of the Black River LLC located in the State of New York, such abandonment is reasonably necessary to preserve the competitive position of Turning Point of the Black River LLC in its industry; and

(C) Although the Project Facility will constitute a project where facilities or property that are primarily used in making retail sales of goods or services to

customers who personally visit such facilities constitute more than one-third of the total cost of the Project, the Project qualifies for assistance pursuant to Section 862 (B) of the Act; and

(D) The granting of the Financial Assistance by the Agency with respect to the Project, through the granting of the various tax exemptions described in Section 2(D) of this Resolution, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act; and

(E) Upon compliance with the provisions of the Act, the Agency would then be authorized under the Act to undertake the Project in order to promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York and improve their standard of living.

Section 2. If, following full compliance with the requirements of the Act, including the public hearing requirements set forth in Section 859-a of the Act, the Agency adopts a future resolution (the "Future Resolution") determining to proceed with the Project and to grant the Financial Assistance with respect thereto and Turning Point of the Black River LLC complies with all conditions set forth in the Preliminary Agreement and the Future Resolution, then the Agency will (A) acquire an interest in the Project Facility from Turning Point of the Black River LLC pursuant to a deed, lease agreement or other documentation to be negotiated between the Agency and Turning Point of the Black River LLC (the "Acquisition Agreement"); (B) renovate the Facility and acquire and install the Equipment in the Facility or elsewhere on the Land; (C) lease (with the obligation to purchase) or sell the Project Facility to Turning Point of the Black River LLC pursuant to a lease agreement or an installment sale agreement (hereinafter the "Project Agreement") between the Agency and Turning Point of the Black River LLC whereby Turning Point of the Black River LLC will be obligated, among other things, (1) to make payments to the Agency in amounts and at times so that such payments will be adequate to enable the Agency to timely pay all amounts due on the Acquisition Agreement and (2) to pay all costs incurred by the Agency with respect to the Project and/or the Project Facility, including all costs of operation and maintenance, all taxes and other governmental charges, any required payments in lieu of taxes and the reasonable fees and expenses incurred by the Agency with respect to or in connection with the Project and/or the Project Facility, and (D) provide the Financial Assistance with respect to the Project, in accordance with the Agency's uniform tax exemption policy, including (1) exemption from sales taxes relating to the acquisition, renovation and installation of the Project Facility, (2) exemption from deed transfer taxes and real estate transfer gains taxes on real estate transfers to and from the Agency with respect to the Project, and (3) exemption from real estate taxes (but not including special assessments and special ad valorem levies) relating to the Project Facility, subject to the obligation of Turning Point of the Black River LLC to make payments in lieu of taxes with

respect to the Project Facility, all as contemplated by the Preliminary Agreement and the Future Resolution.

Section 3. If the Agency adopts the Future Resolution, the undertaking and completing of the Project by the Agency, and the granting of the Financial Assistance with respect to the Project as contemplated by Section 2 of this Resolution, shall be subject to: (A) the determination by the members of the Agency to proceed with the Project following a determination by the members of the Agency that all requirements of SEQRA that relate to the Project have been fulfilled; (B) execution and delivery by Turning Point of the Black River LLC of the Preliminary Agreement, which sets forth certain conditions for the undertaking and completing of the Project by the Agency, and satisfaction by Turning Point of the Black River LLC of all the terms and conditions of the Preliminary Agreement applicable to Turning Point of the Black River LLC; (C) agreement by the Agency and Turning Point of the Black River LLC on mutually acceptable terms for the conveyance of the Land to the Agency; (D) agreement between Turning Point of the Black River LLC and the Agency as to payment by Turning Point of the Black River LLC of payments in lieu of taxes with respect to the Project Facility, together with the administrative fee of the Agency with respect to the Project; (E) a determination by the members of the Agency to proceed with the granting of the Financial Assistance with respect to the Project following a determination by the members of the Agency that the public hearing and notice requirements and other procedural requirements contained in Section 859-a of the Act have been complied with; (F) the Agency's uniform tax exemption policy or if any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency must follow the procedures for deviation from such policy set forth in Section 874(b) of the Act prior to granting such portion of the Financial Assistance; and (G) the following additional condition(s): None.

Section 4. The form, terms and substance of the Preliminary Agreement (in substantially the form presented to this meeting and attached hereto) are in all respects approved, and the Chairman of the Agency is hereby authorized, empowered and directed to execute and deliver said Preliminary Agreement in the name and on behalf of the Agency, said Preliminary Agreement to be substantially in the form presented to this meeting, with such changes therein as shall be approved by the officer executing same on behalf of the Agency, the execution thereof by such officer to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form now before this meeting.

Section 5. From and after the execution and delivery of the Preliminary Agreement, the officers, agents and employees of the Agency are hereby authorized, empowered and directed to proceed with the undertakings provided for therein on the part of the Agency and are further authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of the Preliminary Agreement as executed.

Section 6. Joseph W. Russell, of the law firm of Barclay Damon LLP of Watertown, New York is hereby appointed Counsel to the Agency with respect to all matters in connection with the Project. Counsel for the Agency is hereby authorized, at the expense of Turning Point of the Black River LLC, to work with Turning Point of the Black River LLC, counsel to Turning Point of the Black River LLC and others to prepare for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution.

Section 7. The Agency hereby authorizes the Executive Director of the Agency, prior to the granting of any Financial Assistance with respect to the Project, after consultation with Counsel, (A) to establish a time, date and place for a public hearing of the Agency to hear all persons interested in the location and nature of the Project Facility and the proposed Financial Assistance being contemplated by the Agency with respect to the Project, said public hearing to be held in the city, town or village where the Project Facility will be located; (B) to cause notice of such public hearing to be given to the public by publishing a notice of such hearing in a newspaper of general circulation available to residents of the governmental units where the Project Facility is to be located, such notice to comply with the requirements of Section 859-a of the Act and to be published no fewer than thirty (30) days prior to the date established for such public hearing; (C) to cause notice of said public hearing to be given to the chief executive officer of the county and each city, town, village and school district in which the Project Facility is or is to be located no fewer than thirty (30) days prior to the date established for said public hearing; (D) to conduct such public hearing; and (E) to cause a report of said public hearing fairly summarizing the views presented at said public hearing to be promptly prepared and cause copies of said report to be made available to the members of the Agency.

Section 8. The Chairman and Executive Director of the Agency are hereby authorized and directed to distribute copies of this Resolution to Turning Point of the Black River LLC and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 9. 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 J. Converse	VOTING	<u>YEA</u>
John Jennings	VOTING	<u>YEA</u>
Robert E. Aliasso, Jr.	VOTING	<u>YEA</u>
W. Edward Walldroff	VOTING	<u>YEA</u>
Paul Warneck	VOTING	<u>YEA</u>

William Johnson

VOTING YEA

Lisa L'Huillier

VOTING YEA

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
COUNTY OF JEFFERSON) ss.:

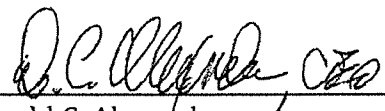
I, the undersigned Secretary of Jefferson County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 13, 2018 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 13th day of December, 2018.




Donald C. Alexander
Chief Executive Officer