

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: September 20, 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 Annual Board of Directors' Meeting

=====

The Jefferson County Industrial Development Agency will hold their annual Board Meeting on Thursday, October 4, 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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ANNUAL BOARD MEETING Thursday, October 4, 2018 - 8:30 a.m.

REVISED AGENDA

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Privilege of the Floor**
- IV. Minutes of the Meeting of September 6, 2018
Special Meeting Minutes of September 25, 2018**
- V. Treasurer's Report – as of September 30, 2018**
- VI. Committee Reports**
 - a. Governance Committee**
 - i. Consider Resolution Number 10.04.2018.01 for Annual Internal Policy and Procedure Review**
 - b. Nominating Committee**
 - i. Consider Resolution Number 10.04.2018.02 for Election of Officers for 2018-2019 FY**
 - ii. Consider Resolution Number 10.04.2018.03 to Appoint Christine Powers to JCLDC Board of Directors**
 - c. Loan Review Committee**
- VII. Unfinished Business**
- VIII. New Business**
 - 1. Presentation by Joel LaLone from JCC's Center for Community Studies**
 - 2. Charge Off Administrative Services Billing to In-Kind Services**
- IX. Counsel**
 - 1. Consider Environmental Resolution Number 10.04.2018.04 for Long Falls Paperboard**
 - 2. Consider Preliminary Inducement Resolution Number 10.04.2018.05 for Long Falls Paperboard**
- X. Adjournment**

**Jefferson County Industrial Development Agency
Board Meeting Minutes
September 6, 2018**

The Jefferson County Industrial Development Agency held a board meeting on Thursday, September 6, 2018 in the board room at 800 Starbuck Avenue, Watertown, NY.

Present: David Converse, Chair, 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, Joseph Russell, Esq., Kent Burto, Rich Duvall, Don Rutherford, David Geurtsen, Esq., Bruce Wright, and Marcus Wolf of the Watertown Daily Times

Excused: John Jennings

Absent: None

- I. Call to Order:** Mr. Converse called the meeting to order at 8:48 a.m.
- II. Privilege of the Floor:** Mr. Converse invited guests to speak. No one spoke.
- III. Minutes:** Minutes of the regular meeting held August 2, 2018 were presented. A motion to approve the minutes as presented was made by Mr. Aliasso, seconded by Mr. Warneck. All in favor. Carried.
- IV. Treasurer's Report:** Mr. Aliasso reviewed the financials for the period ending August 31, 2018 along with the delinquent loans. It was noted that Metro Paper now has two PILOT payments due. After discussion, a motion was made by Mr. Aliasso to accept the financial report of August 31, 2018 as presented, seconded by Mr. Walldroff. All in favor. Carried.
- V. Counsel:**
 - 1. Opal Development LLC v. JCIDA / Car-Freshner Corporation et al v. The Town of Watertown New York et al** – At 8:50 a.m., a motion was made by Mr. Warneck to go into executive session to invite special counsel David Geurtsen to provide update on the Opal Development lawsuit, seconded by Mr. Aliasso. All in favor. Staff, Board Members, Special Counsel David Geurtsen, Rich Duvall and Kent Burto (JCLDC Board Members) remained. Attorney Russell left due to a conflict.

At 9:00 a.m. a motion was made by Mr. Warneck, seconded by Mr. Aliasso to leave executive session to correct the reason for the executive session. All in favor. Carried.

At 9:01 a.m. a motion was made by Mr. Warneck to go into executive session with special counsel David Geurtsen to discuss pending litigation, seconded by Mr. Aliasso. All in favor. Staff, Board Members, and Special Counsel David Geurtsen remained.

At 9:21 a.m. a motion was made by Mr. Warneck to leave executive session and resume the regular board meeting, seconded by Mr. Aliasso. All in favor. Carried.

Ms. L'Huillier left the meeting at this time.

VI. Committee Reports:

a. Loan Review Committee

- i. **Wright Brothers LLC** – Bruce Wright entered the meeting. He shared the history of the business with the board. He said they currently have approximately 80 employees and like to maintain between 80 and 100. Mr. Wright said that Guilfoyle receives over 9,000 calls per year. He said that we are dealing with an opioid crisis with no end in sight, rising healthcare needs, poverty....a society problem. He said that revenue is sought from insurance companies; however, they lose 7% to 10% for Medicare and lose 70% of their costs for Medicaid. Mr. Wright indicated that he works with local officials and Senator Chuck Schumer's Office on many of the issues. Mr. Rutherford asked if engaging the third party billing service has improved capital. Mr. Wright said "yes, it has". Although he said that it is hard to sustain cash flow because revenues are unpredictable. Mr. Wright said that two local towns don't cover costs because they are not required to have a contract. He also pointed out that Guilfoyle has not had a monetary agreement with the City of Watertown in over 40 years.

Building – 77,000 square feet on 3 acres of land. It has been listed for sale at \$1,300,000 or lease. Mr. Wright said that there are currently 4-5 tenants.

Mr. Rutherford went over the most recent modification that included restructuring debt and reduce the interest rate in order to pay down principal with a contingency of hiring a commercial real estate broker to provide a wider reach. He asked Mr. Wright if there is an opportunity to co-broker. Mr. Wright indicated that everything is a possibility, but doesn't feel it's fair to the current broker. He said the agreement with the current broker expires in November and he hasn't decided what he wants to do going forward.

Board Members would like to see a timeframe from Mr. Wright for getting the building fully leased or sold. They would also like to see projections in the interim to make sure loans and taxes are paid.

Mr. Wright left the meeting at 10 a.m.

Mr. Warneck suggested getting together with the WLDC Board in the future to understand the issues and discuss the decisions to be made.

Mr. Rutherford left the meeting at 10:05 a.m.

- ii. **Resolution Number 09.06.2018.01 for Main Street Crafts and Drafts** – Mr. Eaton indicated that the Sackets Harbor LDC approved their portion yesterday. After review and discussion, a motion was made by Mr. Warneck to approve the attached resolution as presented, seconded by Mr. Aliasso. All in favor. Carried.
- iii. **Resolution Number 09.06.2018.02 for Long Falls Paperboard** – After review and discussion, a motion was made by Mr. Warneck to approve the attached resolution as presented, seconded by Mr. Johnson. All in favor. Carried.

**Jefferson County Industrial Development Agency
Board Meeting Minutes
September 6, 2018**

- iv. **Resolution Number 09.06.2018.03 for BICC Brothers of NNY, LLC** – After review and discussion, a motion was made by Mr. Aliasso to approve the attached resolution as presented, seconded by Mr. Warneck. All in favor. Carried.
- v. **Resolution Number 09.06.2018.04 for Carthage Specialty Paperboard** – After review and discussion, a motion was made by Mr. Warneck to approve the attached resolution as presented, seconded by Mr. Johnson. All in favor. Carried.
- vi. **Resolution Number 09.06.2018.05 for Bad Debt Allowances for 2018-2019** – After review and discussion, a motion was made by Mr. Johnson to approve the attached resolution as presented, seconded by Mr. Walldroff. All in favor. Carried.
- vii. **Galloo Island Wind LLC – Interrogatory/Document Review** – Mr. Converse said that Mr. Aliasso asked to have this item discussed and drafted a written response to restate the facts. Mr. Aliasso said that he just wants to provide a brief response to statements made by the applicant. A motion was made by Mr. Aliasso to have staff address and send the draft letter as presented with counsel approval, seconded by Mr. Johnson. All in favor. Carried. Attorney Russell said that the draft letter looked fine to him.

VII. Unfinished Business:

- 1. **Authorities Budget Office Audit (Sales Tax Exemptions 2016-2017)** – Mr. Eaton said that the New York State Authorities Budget Office is going to conduct an audit regarding sales tax exemptions. He said that he spoke with one of the auditors and explained our procedures and indicated that they will spend approximately two days in the office looking at project files and speaking to staff.
- 2. **Convergys** – Mr. Zembiec said that the County of Jefferson approved the three year extension on the parking lot agreement. He said that staff is still working with City of Watertown Officials prior to their consideration of the extension.
- 3. **RC Spot** – Mr. Aliasso asked if the equipment has been moved from the Salmon Run Mall location. Mr. Eaton said yes. Board Members felt that Attorney Russell should take action and address the issue.
- 4. **ReEnergy** – Mr. Aliasso wondered if the backstop PILOT will be needed. Mr. Alexander said that it is being debated at the moment and it's up to the Town of LeRay to make that decision. It has been agreed that a stipulated settlement from the court would be sufficient; therefore, the backstop PILOT may not be necessary.
- 5. **GML** – Mr. Warneck asked Attorney Russell if he had an opinion on whether that section of the GML requires the IDA to ensure that a project seeking benefits complies with the law. Attorney Russell said that he owes the opinion and it will be forthcoming.

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**Jefferson County Industrial Development Agency
Board Meeting Minutes
September 6, 2018**

VIII. New Business: None.

IX. 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 10:33 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

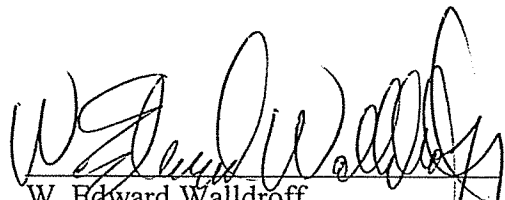
WHEREAS, Staff reviewed this request and recommended approval of a loan in the amount of \$7,150 for a five year amortization with a rate of 5%. The owners will operate the business for the first three years and anticipate hiring 2 employees in year three. The owners have provided a list of the equipment 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

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

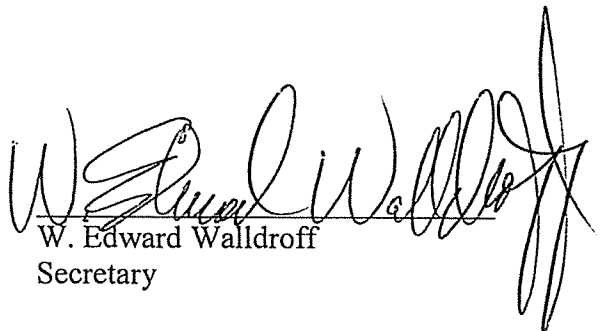
WHEREAS, Staff has reviewed the request and recommends an exception to the \$250,000 RLF limit for a \$300,000 RLF at 6% interest and interest only for 12 months and then a four year amortization; also exceptions. Agency funding to be termed out after Bond Issue. Total project amount is to be determined. 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

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)**

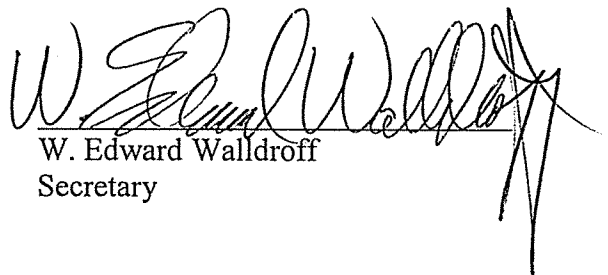
WHEREAS, Staff recommended approval to write off this account that has a balance due of \$20,453.25 and will continue to pursue all legal actions and collection efforts, and

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

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**

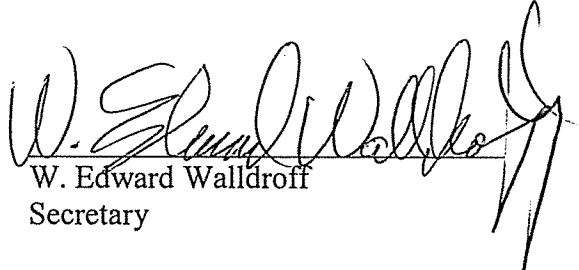
WHEREAS, Staff recommended approval to write off this account that has a balance due of \$196,119.95, and

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

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Resolution Number 09.06.2018.05

For Approving a Reserve for Bad Debt Allowances for 2018-2019

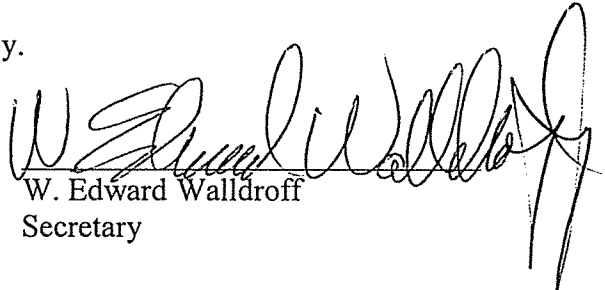
WHEREAS, Lyle Eaton, CFO, recommended \$210,000 for RLF and \$22,000 for MICRO, and

WHEREAS, on August 28, 2018 the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed the recommendation and agreed to move it 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 recommendation 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
Special Board Meeting Minutes
September 25, 2018**

The Jefferson County Industrial Development Agency held a special board meeting on Tuesday, September 25, 2018 in the board room at 800 Starbuck Avenue, Watertown, NY.

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

Also Present: Donald Alexander, David Zembiec, Peggy Sampson, Joseph Russell, Esq., Kent Burto, and Marcus Wolf of the Watertown Daily Times

Excused: John Jennings, William Johnson

Absent: None

I. Call to Order: Mr. Converse called the meeting to order at 8:18 a.m.

II. Special Business:

- 1. (Stream NY) Sub-Lease Agreement with JCLDC for City of Watertown** – After review and discussion, a motion was made by Mr. Walldroff to approve the agreement as presented, seconded by Mr. Warneck. All in favor. Carried.
- 2. (Stream NY) Sub-Lease Agreement with JCLDC for County of Jefferson** – After review and discussion, a motion was made by Mr. Aliasso to approve the agreement as presented, seconded by Mr. Warneck. All in favor. Carried.
- 3. Second Amendment to Lease Agreement with Stream NY** – After review and discussion, a motion was made by Mr. Warneck to approve the agreement as presented, seconded by Mr. Aliasso. All in favor. Carried.

III. Adjournment: With no further business before the board, a motion to adjourn was made by Mr. Walldroff, seconded by Mr. Aliasso. The special meeting adjourned at 8:21 a.m.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Resolution Number 10.04.2018.01

For Annual Internal Policy and Procedure Review

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WHEREAS, on September 13, 2018 the JCIDA Governance Committee met to review the current policies and procedures. After review and discussion, they recommended the following internal policies for the Board's consideration:

- Bylaws
- Proposed Mission Statement & Performance Measurements
- Audit and Finance Committee Charter
- CEO and CFO Annual Report Certification
- Certification of No Conflict of Interest & Jeff Co Financial Disclosure Form
- Code of Ethics
- Compensation, Reimbursement and Attendance Policy
- Defense and Indemnification Policy
- Discretionary Funds Policy
- Disposition of Real Property Guidelines
- Equal Employment Opportunity Policy
- Extension of Credit to Board Members and Officers
- Fixed Asset Policy
- Governance Committee Charter
- Independent Director Certification
- Investment Policy with Internal Controls
- Lending/Collection Policy and Procedures
- Policy Regarding Possession and Use of Electronic Devices
- Post Issuance Compliance Procedures
- Procurement Policy
- Real Property Acquisition Guidelines
- Recapture Policy and flow chart
- Records Retention and Disposition Schedule MI-1
- Rules for Public Hearings Conducted by the Agency
- Travel Policy
- Uniform Guidance – Internal Controls
- Uniform Tax Exemption Policy
- Whistleblower Policy

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the above internal policies and procedures 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

DRAFT

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 10.04.2018.02
For Election of Officers**

WHEREAS, the Nominating Committee met on September 13, 2018 and recommended the current slate of officers for the 2018-2019 fiscal year:

Chairman	David J. Converse
Vice Chairman	John Jennings
Treasurer	Robert E. Aliasso, Jr.
Secretary	W. Edward Walldroff, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the slate of officers 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

DRAFT

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Resolution Number 10.04.2018.03

Appointing JCLDC Board Member Christine Powers

WHEREAS, as initial member of the Corporation, the JCIDA shall appoint additional Directors to the JCLDC Board, and

WHEREAS, the Nominating Committee met on September 13, 2018 and recommended appointment of Christine Powers to fill the vacancy of Donald DiMonda with the term effective immediately and ending on 12/31/22, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the recommendation 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.

David J. Converse
Chairman

DRAFT

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 October 4, 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:

ABSENT:

FOLLOWING PERSONS WERE ALSO PRESENT:

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 10.04.2018.04

RESOLUTION DETERMINING THAT ACTION TOWARD THE ACQUISITION, CONSTRUCTION, INSTALLATION AND LEASING OF A CERTAIN COMMERCIAL PROJECT FOR **LONG FALLS PAPERBOARD LLC** (the “COMPANY”) 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, Long Falls Paperboard LLC (the “Company”) 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 approximately 18.5 acres of land located at 30 Champion Street, Carthage, New York (the “Land”) and the existing approximately 128,000 square foot building thereon (the “Existing Facility”), the renovation and reconstruction of the Existing Facility and the construction on the Land of an approximately sixteen thousand (16,000) square foot maintenance building (the “New Facility”) (the Land, the Existing Facility, the New Facility and the Equipment being collectively referred to as the “Project Facility”), such Project Facility to be used as manufacturing facility for paper products made from solid waste within the meaning of Section 142(a)(6) of the Internal Revenue Code of 1986, as amended (the “Code”); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt and taxable revenue bonds of the Agency, in one or more issues or series, in an aggregate principal amount not to exceed \$25,000,000 (the “Bonds”); (C) 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 (collectively with the Bonds, the “Financial Assistance”); (D) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and (E) the granting of a loan to the Company in the amount of \$300,000.00; 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 _____, 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

DRAFT

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	_____
John Jennings	VOTING	_____
Robert E. Aliasso, Jr.	VOTING	_____
W. Edward Walldroff	VOTING	_____
Paul Warneck	VOTING	_____
William Johnson	VOTING	_____
Lisa L'Huillier	VOTING	_____

DRAFT

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 October 4, 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 ____ day of October, 2018.

Donald C. Alexander
Chief Executive Officer

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 October 4, 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:

ABSENT:

FOLLOWING PERSONS WERE ALSO PRESENT:

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 10.04.2018.05

RESOLUTION TAKING PRELIMINARY OFFICIAL ACTION
TOWARD THE ACQUISITION, CONSTRUCTION,
INSTALLATION AND LEASING OF A CERTAIN
COMMERCIAL PROJECT FOR **LONG FALLS
PAPERBOARD LLC** (THE "COMPANY") AND
AUTHORIZING THE EXECUTION AND DELIVERY OF A
PRELIMINARY AGREEMENT WITH THE COMPANY 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 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 industrial, manufacturing, warehousing and

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, Long Falls Paperboard LLC (the “Company”) 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 approximately 18.5 acres of land located at 30 Champion Street, Carthage, New York (the “Land”) and the existing approximately 128,000 square foot building thereon (the “Existing Facility”), the renovation and reconstruction of the Existing Facility and the construction on the Land of an approximately sixteen thousand (16,000) square foot maintenance building (the “New Facility”) (the Land, the Existing Facility, the New Facility and the Equipment being collectively referred to as the “Project Facility”), such Project Facility to be used as manufacturing facility for paper products made from solid waste within the meaning of Section 142(a)(6) of the Internal Revenue Code of 1986, as amended (the “Code”) and related uses; (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt and taxable revenue bonds of the Agency, in one or more issues or series, in an aggregate principal amount not to exceed \$25,000,000 (the “Bonds”); (C) 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 (collectively with the Bonds, the “Financial Assistance”); and (D) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in Jefferson County, New York and (B) the completion of the Project Facility will not result in the removal of a plant or facility of the Company 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; and

WHEREAS, the Agency desires to encourage the Company 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

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(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 October 4, 2018 (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, with respect to any portion of the Bonds intended to be issued as federally tax-exempt obligations (the “Tax-Exempt Bonds”), interest on such portion of the Bonds will not be excluded from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the “Treasury Regulations”), the Agency provides notice of and conducts a TEFRA hearing and the issuance of such Tax-Exempt Bonds is approved by the County Legislature of the County of Jefferson, New York; (B) all of the requirements of Section 142 of the Code and Section 1.142-(a)(6) of the Treasury Regulations are satisfied; and (C) the Agency obtains an allocation of volume cap prior to the issuance of such Tax-Exempt Bonds pursuant to the requirements of Section 146 of the Code; 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 the Company 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 the Company 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; and
- (C) The Project Facility will not 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; and

(D) The granting of the Financial Assistance by the Agency with respect to the Project, through the issuance of the Bonds and 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 and the Code, 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; and

(F) It is desirable and in the public interest to issue the Bonds in a principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental expenses in connection therewith (collectively, the "Project Costs"), which Project Costs are presently estimated to be approximately \$25,000,000.

Section 2. If, following full compliance with the requirements of the Act and the Code, including the public hearing requirements set forth in Section 859-a of the Act and Section 147(f) of the Code, 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 the Company 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 the Company pursuant to a deed, lease agreement or other documentation to be negotiated between the Agency and the Company (the "Acquisition Agreement"); (B) renovate the Existing Facility, construct the New 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 the Company pursuant to a lease agreement or an installment sale agreement (hereinafter the "Project Agreement") between the Agency and the Company whereby the Company will be obligated, among other things, to make payments to the Agency in amounts and at times so that such payments will be adequate to enable the Agency to (1) timely pay all amounts due on the Acquisition Agreement, including, but not limited to, amounts required to pay the principal of, premium, if any, and interest on the Bonds and (2) 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; (D) authorize the issuance of the Bonds in such principal amount and with such maturities, interest rate or rates, redemption terms and other terms and provisions as shall be determined by a further resolution of the Agency, (E) secure the Bonds in such manner as the Agency, the Company and the underwriter of the Bonds shall mutually deem appropriate; and (F) provide the Financial Assistance with respect to the Project, in accordance with the Agency's uniform tax exemption policy, including (1) exemption from mortgage recording taxes with respect to any documents recorded by the Agency with respect to the Project in the Office of the County Clerk of Jefferson County, New York or elsewhere, (2)

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exemption from sales and use taxes relating to the acquisition, construction, renovation and installation of the Project Facility, (3) 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 (4) 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 the Company to make payments in lieu of taxes with respect to the Project Facility, all as contemplated by the Preliminary Agreement and the Future Resolution. If the proceeds from the sale of the Bonds are insufficient to finance the entire cost of the acquisition, construction, reconstruction, and installation of the Project Facility, the Agency will, upon request of the Company and subject to the provisions of the Preliminary Agreement and Section 3 hereof, use its best efforts to effect the issuance from time to time in the future of additional bonds, whether on a parity with the Bonds or otherwise, for the purpose of paying the cost of completing the Project Facility.

Section 3. If the Agency adopts the Future Resolution, the undertaking and completing of the Project by the Agency, the issuance of the Bonds and any additional bonds 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 the Company of the Preliminary Agreement, which sets forth certain conditions for the undertaking and completing of the Project by the Agency, and satisfaction by the Company of all the terms and conditions of the Preliminary Agreement applicable to the Company; (C) agreement by the Agency and the Company on mutually acceptable terms for the conveyance of the Project Facility to the Agency; (D) agreement between the Company and the Agency as to payment by the Company 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; (C) agreement by the Agency, the Company and the purchasers of the Bonds on mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof; (D) agreement between the Company and the Agency as to payment by the Company of the administrative fee of the Agency; (E) if interest on any portion of the Bonds is to be treated as excluded from gross income for federal income tax purposes, (1) a determination by the members of the Agency that all requirements of the Code that relate to the Project have been fulfilled, and (2) approval of the issuance of the Bonds by the County Legislature of the County of Jefferson, New York, as required by Section 147(f) of the Code; (F) 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; (G) 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 has complied with 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 (H) 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 (or Vice 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. The Agency hereby authorizes the Chief Executive Officer of the Agency, prior to the issuance of any Tax-Exempt Bonds and 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 147 of the Code and Section 859-a of the Act and to be published no fewer than ten (10) 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 ten (10) 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 7. The Company is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Agency to make its final determination whether to approve the Project, and the Company is further authorized to advance such funds as may be necessary for such purpose, subject, to the extent permitted by law, to reimbursement from the proceeds of the sale of the Bonds, if the Bonds are issued. The officers, agents and employees of the Agency are hereby directed to proceed to do such things or perform such acts as may allow the Agency to proceed to its final consideration of the Project. This Resolution shall not be deemed to constitute a commitment by the Agency to issue the Bonds or to grant any other Financial Assistance with respect to the Project, except upon satisfaction of the requirements set forth in Section 3 hereof and in the Preliminary Agreement.

Section 8. The Agency declares its official intent to finance all or a portion of the Project Costs with proceeds of the Bonds expected to be issued on behalf of the Company by the Agency. It is intended that this Resolution shall constitute the official intent of the Agency to

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reimburse certain expenditures in connection with the Project with proceeds of the Bonds issued for that purpose in accordance with Section 1.150-2 of the Treasury Regulations.

Section 9. Barclay Damon LLP is hereby appointed Bond 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 the Company, to work with the Company, counsel to the Company and others to prepare for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution.

Section 10. The Chairman, Vice Chairman and Chief Executive Officer of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 11. 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	_____
John Jennings	VOTING	_____
Robert E. Aliasso, Jr.	VOTING	_____
W. Edward Walldroff	VOTING	_____
Paul Warneck	VOTING	_____
William Johnson	VOTING	_____
Lisa L'Huillier	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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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 October 4, 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 duly 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 ____ day of October, 2018.

Donald C. Alexander
Chief Executive Officer