

**Jefferson County Industrial Development Agency
Special Board Meeting Minutes
August 18, 2021**

The Jefferson County Industrial Development Agency held a special board meeting on Wednesday, August 18, 2021 in the board room at 800 Starbuck Avenue, Watertown, NY.

Present: David Converse, Chair, Robert E. Aliasso, Jr., William Johnson, Paul Warneck

Excused: John Jennings

Absent: W. Edward Walldroff, Lisa L'Huillier

Also Present: David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Karl Schweitzer and Michael Ramos (Purcell Construction), Craig Fox (Watertown Daily Times)

Zoom: Justin Miller, Esq.

- I. **Call to Order:** Chairman Converse called the meeting to order at 08:02 a.m.
- II. **Pledge of Allegiance**
- III. **Special Business:**
 1. **Initial Project Resolution No. 08.18.2021.01 for CWT Farms International, Inc. – Mr.**
Converse said the project was presented at the last loan review committee meeting. A motion was made by Mr. Warneck to approve the attached resolution, seconded by Mr. Aliasso. Roll call vote was taken. Mr. Converse – Yea, Mr. Jennings – Absent, Mr. Aliasso – Yea, Mr. Walldroff – Absent, Mr. Johnson – Yea, Ms. L'Huillier – Absent, Mr. Warneck – Yea.
Carried.
 2. **Purcell Construction Remediation Proposal and Contract (146 Arsenal Street) – Mr.**
Aliasso asked Purcell representatives if it is okay to share and discuss the proposal since the coversheet is marked confidential. Mr. Ramos said it is a boiler plate document and can be discussed and shared.

Mr. Ramos said that PCBs were discovered in the concrete. He said partitions and exterior wall frames need to be demolished so cement floor can be scarified. He said that Paradigm will test levels after the first 1/8 of an inch is removed. An additional 1/8 inch will be removed if necessary. He said that after scarification it has to be cleared by EPA followed by a replacement layer of concrete over the slab, which will complete the IDA portion of the project. He said the concrete price is for the supply and installation.

Mr. Aliasso asked about insurance and bonding. Mr. Ramos said that they will have a bond. Mr. Aliasso asked about the general conditions and fees put on at the end for the total. He wondered what is in that value that is not already included. Mr. Ramos said they are working from a template and add 3% for construction management for contingencies.

Mr. Aliasso asked why the IDA is removing lockers. Mr. Zembiec said that we have agreed to a swap where the IDA will take on the initial demolition. Otherwise, we would have to bid separately and would have raised the costs to us and the YMCA. In turn, he said the YMCA will rebuild the bathrooms and walls which would have otherwise been the IDA's responsibility. It was noted that the mechanicals will be part of the YMCA

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rebuild. Mr. Converse asked if the proposal considers 'after hours' work. Mr. Ramos responded yes. Mr. Ramos pointed out that they will be testing as they work and noted that they will scarify the whole floor during the first round. Mr. Warneck indicated that it will take 5 months away from the YMCA's schedule. Mr. Zembiec said it pushes the YMCA's completion date to March 2023.

Mr. Warneck asked when the project will start. Mr. Ramos said they will mobilize by the end of August and are hoping to start demolition in early September.

Mr. Aliasso asked about the 5% retention since we will already have a bond. Attorney Miller said the initial efforts had a higher retained amount, but 5% is where it landed which he said turned out to be a good balance. Mr. Warneck asked if everyone is comfortable, and Attorney Miller responded yes and noted that the contract is in great shape. He did suggest that staff keep an eye on payment requests and agency finances while we wait for grant reimbursements.

Mr. Aliasso asked when we will close with the YMCA. Attorney Miller said the lease may need to be amended again and noted that the YMCA will most likely want to wait until the remediation is complete. Mr. Ramos said the target date is December 30th. Attorney Miller said that staff may need to look into getting casualty insurance if the YMCA doesn't have it yet.

Mr. Aliasso asked if we should ask the YMCA for a down payment. Mr. Zembiec noted that the YMCA is already reimbursing us for expenses incurred at the building.

Mr. Warneck asked if we have the cashflow to pay for the remediation contract. Mr. Zembiec said there are options such as the RLF, JCLDC, and cash reserves. He said we can discuss it more at the finance committee meeting next week. Attorney Miller said a project like this can prompt a budget amendment or an allocation of funds which can be tracked with a separate account. He said that we can reimburse ourselves later on with grant funds. Mr. Eaton said that we can use the RLF which will be board designated.

At this time a motion was made by Mr. Warneck to authorize Mr. Eaton to create a fund and move the appropriate amount of money to fund the remediation contract, seconded by Mr. Aliasso. Mr. Warneck amended his motion to reflect the amount of money up to \$2 million, seconded by Mr. Aliasso. All in favor. Carried. Mr. Eaton said that we will use the RLF as the funding source.

A motion was made by Mr. Johnson to approve the Purcell Construction Lump Sum Contract for the remediation project at 146 Arsenal Street, seconded by Mr. Warneck. All in favor. Carried.

Mr. Zembiec indicated that Purcell will be fencing off the upper parking lot for the project. Attorney Miller said that a license should be done right away with the City of Watertown so they can start staging.

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A motion was made by Mr. Warneck to authorize Mr. Zembiec and counsel to negotiate an agreement with the City of Watertown allowing Purcell to fence off the parking lot until the YMCA project is complete, seconded by Mr. Aliasso. All in favor. Carried.

- IV. Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Johnson, seconded by Mr. Aliasso. The special meeting adjourned at 8:50 a.m.

Respectfully submitted,

Peggy Sampson

INITIAL PROJECT RESOLUTION
(CWT Farms International, Inc. Project)

A regular meeting of the Jefferson County Industrial Development Agency convened on Wednesday, August 18, 2021 at 8:00 a.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 08.18.2021.01

RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) ACCEPTING AN APPLICATION SUBMITTED BY CWT FARMS INTERNATIONAL, INC., FOR ITSELF AND/OR ON BEHALF OF ONE OR MORE ENTITIES TO BE FORMED (COLLECTIVELY, THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS DESCRIBED BELOW); (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY WITH RESPECT TO THE PROJECT.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 369 of the Laws of 1971 of the State of New York, as amended (hereinafter collectively called the "Act"), the **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, CWT Farms International, Inc., for itself and/or on behalf of an entity to be formed (collectively, the "Company"), has submitted an Application for Financial Assistance (the "Application") requesting that the Agency consider undertaking a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in an approximately 5.31 acre vacant parcel of real property located at 20835 Alexander Drive in the Town of Watertown, New York 13601 (the "Land", being more particularly described as TMID No 82.00-2-1.5 and Lot 8 in the TIAg Park), (ii) the planning, design, construction, equipping and operation of an approximately 29,000 square foot poultry hatchery facility, including hatching spaces, warehousing, storage, shipping, receiving, office and mechanical spaces, external parking improvements, curbage, landscaping, storm water management and related site improvements (collectively, the "Improvements"), and (iii) the acquisition in and around the Improvements and of certain items of equipment and other tangible personal property and equipment (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"), and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in

the Facility for a period of time and sublease such interest in the Facility back to the Company (the "Straight Lease Transaction"); and

WHEREAS, the Agency is contemplating providing financial assistance to the Company with respect to the Project (collectively, the "Financial Assistance") in the form of: (A) an exemption from all State and local sales and use taxes with respect to qualifying personal property included in or incorporated into the Facility or used in the construction and equipping of the Facility, (B) a mortgage recording tax exemption for financings undertaken to construct the Facility, and (C) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), pursuant to which the Company would make payments in lieu of real property taxes to the Agency for the benefit of each affected tax jurisdiction (the "Affected Tax Jurisdictions"); and

WHEREAS, the Agency desires to (i) accept the Application, (ii) authorize the scheduling and conduct of a public hearing pursuant to an in accordance with the Act, and describe the forms of financial assistance contemplated by the Agency; and

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

Section 1. Based upon the representations made by the Company to the Agency in the Application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as agent to construct the Improvements and acquire the Equipment constituting the Facility pursuant to the Agent Agreement and Leaseback Agreement to be negotiated as components of one or more Straight Lease Transactions; and

(C) Subject to the terms and conditions set forth within Section 4, hereof, the Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to undertake the Project, thereby increasing capital investment and employment opportunities in the Town of Watertown, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a facility or plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is

reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

Section 2. The proposed financial assistance being contemplated by the Agency includes (i) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included within the Project or used in the acquisition, construction or equipping of the Project, (ii) a mortgage recording tax exemption for financings undertaken to construct the Facility, and (iii) a partial real property tax abatement through a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), pursuant to which the Company would make payments in lieu of real property taxes to the Agency for the benefit of the Affected Tax Jurisdictions.

Section 3. The Agency further authorizes the scheduling and conduct of a public hearing as required by Section 859-a of the Act (the "Public Hearing"). Prior to such Public Hearing, the Chairman, Vice Chairman and/or Chief Executive Officer of the Agency are hereby authorized and directed to negotiate the terms of one or more PILOT Agreements for the Project in accordance with the Agency's Uniform Tax Exemption Policy ("UTEP").

Section 4. The Agency's formal inducement to undertake the Project and approve the Financial Assistance shall be by one or more further resolutions of the Agency and shall be subject to the terms and conditions as are set forth therein.

Section 5. Harris Beach PLLC, as General and Transaction Counsel for the Agency, is hereby authorized to work with counsel to the Company and others to prepare for submission to the Agency all documents necessary to effect the conduct of the Public Hearing issuance of the Disposition Notice.

Section 6. The Chairman, Vice Chairman and/or the Chief Executive Officer of the Agency are hereby authorized and directed to negotiate, but not execute, certain lease agreements, an Agent and Financial Assistance and Project Agreement (the "Agent Agreement"), the PILOT Agreement(s), and related documents to undertake the Straight Lease Transaction. The Agency's authorization of the Project and the Financial Assistance shall be subject to the adoption of Agency resolutions relative to same.

Section 7. 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 8. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 10. These Resolutions 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:

	Yea	Nay	Absent	Abstain
David J. Converse	[X]	[]	[]	[]
John Jennings	[]	[]	[X]	[]
Robert E. Aliasso, Jr.	[X]	[]	[]	[]
W. Edward Walldroff	[]	[]	[X]	[]
William W. Johnson	[X]	[]	[]	[]
Lisa L'Huillier	[]	[]	[X]	[]
Paul J. Warneck	[X]	[]	[]	[]

The Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF JEFFERSON) SS:

I, the undersigned Chief Executive Officer of Jefferson County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of Jefferson County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on August 18, 2021, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.


I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 18th day of August, 2021.





David J. Zembiec
CEO