

**Jefferson County Industrial Development Agency
Board Meeting Minutes
May 4, 2023**

The Jefferson County Industrial Development Agency held their board meeting on Thursday, May 4, 2023 in the board room at 800 Starbuck Avenue, Watertown, NY.

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

Excused: None

Absent: None

Also Present: Christine Powers, Rob Aiken

Zoom: Cathryn Crummey (Harris Beach), Craig Fox from the Watertown Daily Times

Staff Present: David Zembiec, Marshall Weir, Peggy Sampson, Joy Nuffer, Robin Stephenson, Jay Matteson

- I. Call to Order:** Chairman Aliasso called the meeting to order at 8:31 a.m.
- II. Privilege of the Floor:** Chairman Aliasso invited guests to speak. No one spoke.
- III. Minutes:** Minutes of the meeting held April 6, 2023 were presented. A motion to approve the minutes as presented was made by Mr. Warneck, seconded by Mr. Johnson. All in favor. Carried.
- IV. Treasurer's Report:** Mr. Warneck reviewed the financials for the period ending April 30, 2023. Mr. Warneck reviewed the loan delinquencies. He asked about the status of the demand letter that was sent to Sarah's Barbershop. Mr. Zembiec said that he will check with Mr. Eaton. After discussion, a motion was made by Ms. L'Huillier to accept the financial statement as presented, seconded by Mr. Condino. All in favor. Carried.
- V. Committee Reports:**
 - a. Alternative Energy Ad Hoc Committee** – Mr. Warneck said the committee has a meeting with the taxing jurisdictions for the Greens Corners Solar project next Wednesday. Staff is also working to set up a meeting with affected taxing jurisdictions for the Riverside Solar project in Lyme and Brownville.
- VI. Unfinished Business:**
 - 1. 146 Arsenal Street update** – Mr. Zembiec said the project is moving along on schedule and will open in November. He said that Colonel Hannan, our grant program manager from the Department of Defense, will visit the site in June.
 - 2. Convalt Manufacturing – Revised PILOT Application** – Mr. Zembiec said that the revised application reflects cost increases. The cost benefit analysis was updated. A motion was made by Mr. Converse to accept the revised application, seconded by Ms. L'Huillier. All in favor. Carried.

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VII. New Business:

1. **Aviagen Building Review (Corporate Park)** – Mr. Zembiec said that Aviagen is proposing a small 16ft x 28ft addition to the north end of its current facility. He said that he notified the other park tenants and did not receive any opposition. A motion was made by Mr. Converse to approve the site plan, seconded by Mr. Warneck. All in favor. Carried.
2. **Resolution No. 05.04.2023.01 for Authorizing a Modification to the Convalt Energy Participation Bridge Loan** – Chairman Aliasso read the resolution. The \$1,050,000 Participation Bridge Loan for Convalt Energy, Inc. matures on June 1, 2023. Convalt requested a 6-month extension. Staff recommended approval of the request effective June 1, 2023. A motion was made by Mr. Johnson to approve the resolution, seconded by Mr. Converse. Discussion ensued.

Mr. Zembiec said the extension will allow time for Convalt to firm up their permanent financing. Mr. Condino asked about the status of the permanent financing. Mr. Zembiec said that Convalt expects to finalize terms with EGAT in June and is negotiating terms with other potential lenders. The company is also waiting for the County to pass the resolution opting into the Commercial Property Assessment Clear Energy program (C-PACE) slated for approval in June. The program reduces risk to lenders financing energy efficiencies, thereby providing more favorable cost-sharing terms to the borrower. Mr. Zembiec said Convalt has been transparent throughout the process and has even invited our staff to participate in calls and/or meetings.

Mr. Converse asked if they have received final site plan approval. Mr. Condino said that they have submitted revised documents and expects them to be reviewed during the June town planning board meeting.

Mr. Walldroff asked if there are other PILOTs that have alternative distribution schedules. Mr. Warneck said yes. Mr. Zembiec noted that the Convalt deviation is due to the length of the PILOT, the school payment going up then down and the County willing to take less early on and more at the end to accommodate the school. Both will end up collecting their proportionate share over the life of the PILOT.

All in favor. Carried.

VIII. Counsel:

1. **Resolution No. 05.04.2023.02 Authorizing a Settlement of Certain Outstanding Loans Previously Issued to RBM Manufacturing Corp.** – The \$400,000 loan with a current balance of \$362,5821.18, outstanding interest of \$2,672.67, late fees in the amount of \$2,213.46, plus accruing interests, and attorneys' fees. RBM closed its business. The Agency demanded payment from RBM and the Guarantors. Guarantor Richard McNeely has agreed to pay a settlement of \$200,000 plus attorneys' fees to the Agency in full satisfaction of the Loan and to settle all disputes.

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Executive Session

At 9:05 a.m., a motion was made by Mr. Converse to enter into executive session to seek legal advice, seconded by Mr. Warneck. All in favor. Board Members, LDC Board Members Powers and Aiken, Staff and Counsel remained.

At 9:17 a.m., a motion was made by Mr. Warneck to leave the executive session, seconded by Mr. Converse.

A motion was made by Mr. Walldroff to approve the resolution, seconded by Mr. Converse. Discussion ensued. Board members agreed to amend the resolution to stipulate a 30-day timeframe for Mr. McNeely to sign the settlement agreement and make payment. Mr. Walldroff and Mr. Converse amended their motion to include the added language to the resolution. Roll call vote: Mr. Aliasso – Yea, Mr. Converse – Yea, Mr. Condino – Yea, Mr. Johnson – Yea, Ms. L’Huillier – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea. Carried.

- IX. Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Johnson, seconded by Mr. Converse. All in favor. The meeting adjourned at 9:22 a.m.

Respectfully submitted,

Peggy Sampson

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 05.04.2023.01

**RESOLUTION FOR AUTHORIZING A MODIFICATION TO THE
REVOLVING BRIDGE LOAN TO
CONVALT ENERGY, INC.**

WHEREAS, the \$1,050,000 Participation Bridge Loan for Convalt Energy, Inc. matures on June 1, 2023, and

WHEREAS, Convalt Energy, Inc. has requested a 6-month extension, and

WHEREAS, staff recommends approval of the request effective June 1, 2023, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the modification request and that all terms and conditions of the original loan remain in effect, 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. Zembiec
CEO

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 05.04.2023.02

**RESOLUTION AUTHORIZING A SETTLEMENT OF CERTAIN OUTSTANDING
LOANS PREVIOUSLY ISSUED TO RBM MANUFACTURING CORP.**

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, (the “Act”), the JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”) was created with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research, and recreational facilities as authorized by the Act, and in connection therewith to issue its revenue bonds, and/or enter into straight lease transactions and provide other forms of financial assistance; and

WHEREAS the Agency maintains and administers a certain revolving loan program for qualified applicants and projects (the “Loan Fund”); and

WHEREAS, the Agency previously approved a certain \$200,000.00 loan to RBM Manufacturing Corp. (“RBM”), and on or about November 22, 2019, RBM executed a Note in favor of the Agency in the original principal amount of \$200,000.00 (the “Note”); and

WHEREAS, the Agency also previously approved an increased loan amount totaling \$400,000.00, pursuant to which RBM and the Agency entered into an Allonge, effective November 5, 2020, increasing the principal loaned under the Note to \$400,000.00 and extending the maturity date under the Note to November 1, 2026 (the “\$400,000 Allonge”, and collectively with the Note, the “Loan”); and

WHEREAS, at the request of RBM, the Agency previously authorized and entered into an Allonge, effective April 7, 2022, providing for a six (6) month moratorium on principal payments commencing with the March 1, 2022 payment until September 1, 2022, when regular principal and interest payments shall commence again, and extending the maturity date under the Note to May 1, 2027; and

WHEREAS, the Loan was secured by, inter alia, two (2) Unlimited Continuing Guaranty Agreements executed by Richard C. McNeely, III and Rhonda M. McNeely (the “Guarantors”), each dated on or about November 22, 2019 (collectively, the “Guarantees”); and

WHEREAS, RBM has closed its business and as of February 1, 2023, the amount owed to the Agency under the Loan was \$362,582.18, outstanding interest of \$2,672.67, late fees in the amount of \$2,213.46, plus accruing interests, attorneys’ fees, costs and disbursements (the “Indebtedness”); and

WHEREAS, the Agency has demanded payment of the Indebtedness from RBM and the Guarantors, however RBM remains in default under the terms of the Loan and the Guarantors are in default under the terms of the Guarantees; and

WHEREAS, Guarantor Richard McNeely has agreed to pay a settlement of \$200,000, plus attorney fees, to the Agency in full satisfaction of the Loan and to settle all disputes; and

WHEREAS, the Agency desires to authorize the settlement of the defaulted Loan, all pursuant to the terms contained herein.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Agency that it herein approves the settlement amount of \$200,000, plus attorneys' fees (the "Settlement Payment") and be it further,

RESOLVED, upon receipt of the Settlement Agreement from the Agency, Richard McNeely, as Guarantor of RBM, shall make payment and sign the Settlement Agreement within 30 days, and be it further,

RESOLVED, upon receipt of the Settlement Payment by the Agency, the Agency authorizes the execution and delivery of a Settlement Agreement (the "Settlement Agreement") to release and forever discharge RBM and the Guarantors from any and all claims related to the Loan; and be it further,

RESOLVED, that the Chairman, Vice Chairman and/or Chief Executive Officer (or Deputy Chief Executive Officer) of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Settlement Agreement and related documents with such changes as shall be approved by the Chairman, Vice Chairman, the Chief Executive Officer and counsel to the Agency upon execution; and be it further,

RESOLVED, that upon receipt of the Settlement Payment and full execution of the Settlement Agreement, the Agency hereby authorizes all necessary revisions and amendments to the Agency's balance sheet and Loan Fund to reflect the within settlement, including the write down of the Indebtedness reflecting unpaid amounts of the Loan, along with any corresponding adjustments to loss contingencies; and be it further,

RESOLVED, that 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; and be it further,

RESOLVED, that these Resolutions shall take effect immediately upon adoption.

The question of the adoption of the foregoing resolutions was duly put to vote on roll call, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Robert E. Aliasso, Jr.	X			
David J. Converse	X			
John Condino	X			
William W. Johnson	X			
Lisa L'Huillier	X			
W. Edward Walldroff	X			
Paul J. Warneck	X			

The resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF JEFFERSON) ss:

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

That I have compared the foregoing extract of the minutes of the meeting of the Jefferson County Industrial Development Agency (the "Agency") including the resolution contained therein, held on May 4, 2023, 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 relates 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 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 seal of said Agency this 4th day of May, 2023.



David J. Zembiec, CEO

[SEAL]

