

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
February 28, 2024**

Present: David Converse (Chair), John Condino, Christine Powers, Rob Aliasso

Absent: Kent Burto

Also Present: David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Joy Nuffer, Robin Stephenson. Stephen Hale
Zoom: Justin Miller, Esq., Joeseeph Frateschi, Esq.

- I. Call to Order:** Chair Converse called the meeting to order at 8:00 a.m.

- II. Pledge of Allegiance**

- III. Loan Request –**
 - 1. Hale’s Bus Garage, LLC –** A request for a loan from the CITY Loan Fund in the amount of \$250,000 to be used to renovate, expand and purchase equipment at 1067 Marble Street, Watertown, NY. This will be a participation loan with the Watertown Local Development Corporation (WLDC). The WLDC will be the lead agency and they have already collected an application; therefore, the IDA will waive their application fee.

Staff recommended a \$250,000 City Loan at a rate of 6%, interest only for the first 12 months for a 15-year amortization with a 10-year call. The interest rate will be reviewed after 5 years. There are currently 20 employees with a projection to create another 10 jobs over three years. Collateral will be secured with a co-proportional fourth position mortgage with WLDC, subordinate to Watertown Savings Bank on real estate located at 1067 Marble Street, a co-proportional fourth position with WLDC on all assets of the business, personal guarantee of Stephen E. Hale as well as keyman life insurance up to the amount of the loan. The loan will be contingent upon approval of the WLDC (\$250,000) and WSB (\$1,557,385) loans. The funds will be advanced for construction. Construction will take 1 year to complete.

Mr. Eaton said the cost benefit analysis looks great with a 159:1 ratio. He said they are retaining 20 jobs and adding 10 over three years.

Stephen Hale, Managing Member of Hale’s Bus Garage, LLC, said that they are taking on an approximately \$2.5 million renovation and small addition to the project on Marble Street. He said they are adding four more bus bays and indicated that he recently secured 5 colleges in St. Lawrence County. Ms. Powers asked if he has enough buses. He said that he has some, but may need to purchase more.

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Mr. Hale noted that he received the survey map yesterday which combines several parcels into a 13.7-acre lot under one tax parcel. He said they have the office building for lease since they don't need it and indicated that the fuel tanks will be removed from the ground to be placed above ground.

Mr. Aliasso pointed out that the application lists 24 existing jobs and creation of 21 jobs over three years. Mr. Eaton said Mr. Hale's attorney sent a letter recently (for the sales tax exemption application) indicating that there are 20 existing jobs and a projection to create 10 jobs over three years. Staff will update the draft resolution for the board.

A motion was made by Mr. Aliasso to recommend the loan to the full board of directors for consideration, seconded by Mr. Condino. All in favor.

IV. Other/Unfinished Business – None.

- V. Adjournment:** With no further business before the committee, Mr. Aliasso made a motion to adjourn the meeting, seconded by Mr. Condino. The meeting was adjourned at 8:19 a.m.

Respectfully submitted,
Peggy Sampson