

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: March 21, 2024

To: William Johnson
David Converse
W. Edward Walldroff
Paul Warneck
Lisa L'Huillier
John Condino

From: Chairman Robert Aliasso

Re: Notice of Board of Directors' Meeting

The Jefferson County Industrial Development Agency will hold their Board Meeting on **Thursday, April 4, 2024 at 8:30 a.m.** in the board room at 800 Starbuck Avenue, Watertown, NY.

The live stream link will be available at www.jcida.com.

Zoom:

<https://us02web.zoom.us/j/84355250468?pwd=R0t4VjRPdGJBZDJrL2JQYVVVjKytDdz09>

Meeting ID: 843 5525 0468

Passcode: 011440

1-929-205-6099 US (New York)

Please confirm your attendance with Peggy Sampson pssampson@jcida.com at your earliest convenience.

pss

c: David Zembiec, CEO
Marshall Weir
Lyle Eaton
Jay Matteson
Joy Nuffer
Robin Stephenson
Christine Powers
Greg Gardner
Kent Burto
Rob Aiken
Justin S. Miller, Esq.
Joseph V. Frateschi, Esq.
Media

REVISED BOARD MEETING AGENDA
Thursday, April 4, 2024 - 8:30 a.m.

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Privilege of the Floor**
- IV. Minutes – March 7, 2024**
- V. Treasurer’s Report – March 31, 2024**
- VI. Committee Reports**
 - a. Alternative Energy Ad Hoc Committee**
 - b. Corporate Park Ad Hoc Committee**
 - c. Loan Review Committee**
 - i. Resolution No. 04.04.2024.01 for Drouin Distribution Ltd.**
- VII. Unfinished Business**
 - 1. Amended Resolution No. 12.07.2023.03 for SHBP Realty Holdings LLC**
 - 2. Town of Hounsfield Contract for Sewer System Design**
- VIII. New Business**
 - 1. Resolution No. 04.04.2024.02 to write off Kenneth Rogers account receivable balance**
 - 2. Resolution No. 04.04.2024.03 for Authorized Signers**
- IX. Counsel**
- X. Adjournment**

**Jefferson County Industrial Development Agency
Board Meeting Minutes
March 7, 2024**

DRAFT

The Jefferson County Industrial Development Agency held their board meeting on Thursday, March 7, 2024 in the board room at 800 Starbuck Avenue, Watertown, NY.

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

Excused: Paul Warneck

Absent: None

Also Present: Christine Powers, Rob Aiken, Joseph Frateschi (Harris Beach), Craig Fox (Watertown Daily Times), Laurie Podvin and Lyndi Hill (Bowers & Company)
Zoom: Justin Miller, Esq. (Harris Beach)

Staff Present: David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Joy Nuffer, Robin Stephenson

- I. **Call to Order:** Chairman Aliasso called the meeting to order at 8:20 a.m.
- II. **Audit Report for 2023** (Bowers & Company) – Earlier this morning during the JCLDC board meeting, Chairman Aliasso suspended the LDC meeting at 8:20 a.m. to open the JCIDA board meeting for the audit presentation from Bowers & Company. Lyndi Hill, Audit Manager, presented an unmodified clean opinion. She reviewed the audit which also included consolidated financials for JCLDC and JCCFDC. Ms. Hill encouraged board members to read the Management Discussion and Analysis which provides useful information. It was noted that five months of the administrative fee due to JCLDC was written off. Ms. Hill reported that there were no deficiencies in the internal controls. She mentioned that the new credit losses standard was adopted this year.

Suspend Meeting –
Motion by Ms. L’Huillier at 8:32 a.m. to suspend the meeting to reopen the JCLDC board meeting to finish going through their agenda items, seconded by Mr. Walldroff. All in favor.

Reconvene Meeting –
The meeting was reconvened at 9:20 a.m.
- III. **Privilege of the Floor:** Guests were invited to speak. No one spoke.
- IV. **Minutes:** Minutes of the meeting held February 1, 2024 were presented. A motion to approve the minutes as presented was made by Mr. Walldroff, seconded by Ms. L’Huillier. All in favor. Carried.
- V. **Annual Meeting Resolution No. 03.07.2024.01** (including acceptance of Audit and PARIS Reports, Ratification of Mission Statement, Property Disposition, Investment and Procurement Policies, Election of Officer/Board Committee Positions and Appointment of Staff) – Chairman Aliasso read the opening of the resolution. The active project spreadsheet was included in the packet.

**Jefferson County Industrial Development Agency
Board Meeting Minutes
March 7, 2024**

DRAFT

A motion was made by Ms. L’Huillier to approve the resolution, seconded by Mr. Johnson. Roll call vote. Mr. Converse – Yea, Mr. Condino – Yea, Mr. Aliasso – Yea, Mr. Walldroff – Yea, Mr. Warneck – Absent, Mr. Johnson – Yea, Ms. L’Huillier – Yea. Carried.

VI. Treasurer’s Report: Chairman Aliasso reviewed the financials for the period ending February 29, 2024. He reviewed the delinquent loans. It was noted that a default letter has been sent to Colleen’s Cherry Tree Inn.

Mr. Zembiec suggested writing off the balance owed from Kenneth Rogers. Mr. Eaton said that Mr. Rogers died in a nursing home a few years ago and indicated that there is no estate. Chairman Aliasso asked staff to prepare a resolution for the board to consider next month.

After discussion, a motion was made by Chairman Aliasso to accept the financial statement as presented, seconded by Mr. Johnson. All in favor. Carried.

VII. Committee Reports:

a. Alternative Energy Ad Hoc Committee – Mr. Johnson said that Boralex applied to the State to amend their site. He reported that it was approved.

b. Loan Review Committee –

i. Resolution No. 03.07.2024.02 for 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 waived 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 and WSB loans. It was noted that the loans have already been approved. The funds will be advanced for construction. Construction will take 1 year to complete.

A motion was made by Mr. Condino to approve the resolution, seconded by Mr. Converse. All in favor. Carried.

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VIII. Unfinished Business:

Executive Session –

At 9:40 a.m. a motion was made by Mr. Condino to enter into executive session to discuss the potential disposition/acquisition of real estate and the personal financials of a particular person or corporation, seconded by Mr. Walldroff. Board Members, LDC Board Members, Staff and Counsel remained.

Mr. Converse and Ms. Powers left the meeting during the executive session.

Offer – A motion was made by Ms. L’Huillier to make an offer to purchase real estate contingent upon the appraisal, seconded by Mr. Condino. All in favor.

Modification to Loan Term for Sackets Harbor Brew Pub LLC d/b/a 1812 Brewing Company – A motion was made by Mr. Walldroff to release the lien requirement on Thomas Scozzafava’s personal residence in Gouverneur, seconded by Mr. Condino. All in favor. Carried.

IX. New Business:

1. **Resolution No. 03.07.2024.03 to authorize charge off of administrative services billing to in-kind services –** A request to charge off \$294,697.90 for the administrative services billing (JCLDC) to in-kind services. A motion was made by Mr. Condino to approve the resolution, seconded by Mr. Walldroff. All in favor. Carried.
2. **Quote from Bowers & Company –** Mr. Eaton reviewed the quote from Bowers. He said there is an estimated one-time initial cost for setting up fixed assets in their software program for financial statement purposes. He said there is also an estimated annual fee for maintenance of the capital listing and depreciation schedule updates for financial statement purposes. A motion was made by Mr. Johnson to approve up to \$1,900 for the initial fee and up to \$300 for the annual maintenance fee, seconded by Ms. L’Huillier. All in favor. Carried.
3. **Authorizing Resolution No. 03.07.2024.04 for LCO Destiny, LLC authorizing the release of a portion of mortgaged premises –** A request from LCO Destiny, LLC for the Agency to release a certain portion of the land encumbered by a mortgage and security agreement. It was noted that the North Country Alliance will also need to consider the request because of the participation loan.

A motion was made by Ms. L’Huillier to approve the resolution, seconded by Mr. Walldroff. Roll call vote. Mr. Aliasso – Yea, Mr. Converse - Absent, Mr. Condino – Yea, Mr. Johnson – Yea, Ms. L’Huillier – Yea, Mr. Walldroff – Yea, and Mr. Warneck – Absent. Carried.

Jefferson County Industrial Development Agency
Board Meeting Minutes
March 7, 2024

DRAFT

X. Counsel:

1. **Authorizing Resolution No. 03.07.2024.05 for the formation of Deferiet Redevelopment Corporation** – Resolution authorizing the continued planning and investigatory activities for the proposed redevelopment project for the former St. Regis Paper Mill located in the Village of Deferiet, authorizing the establishment of the Deferiet Redevelopment Corporation to assist with property acquisition, redevelopment and management activities.

Attorney Frateschi said that he will file the Certificate of Incorporation. Board Members will consist of 3 JCIDA Board members, 2 JCLDC Board members, the Town of Wilna Supervisor (Ex-officio) and the Village of Deferiet Mayor (Ex-officio). It was suggested that the ex-officio members have designees. He said the organizational meeting will be held next month.

A motion was made by Mr. Walldroff to approve the resolution, seconded by Mr. Johnson. Roll call vote. Mr. Aliasso – Yea, Mr. Converse – Absent, Mr. Condino – Yea, Mr. Johnson – Yea, Ms. L’Huillier – Yea, Mr. Walldroff – Yea, and Mr. Warneck – Absent. Carried.

2. **Authorizing Resolution No. 03.07.2024.07 for Brennans Bay, Inc. Project** – A request to increase the authorized sales and use tax exemption amount to \$22,024 due to increased project costs and inflation. A motion was made by Mr. Condino to approve the resolution, seconded by Mr. Johnson. Roll call vote. Mr. Aliasso – Yea, Mr. Condino – Yea, Mr. Converse - Absent, Mr. Johnson – Yea, Ms. L’Huillier – Yea, Mr. Walldroff – Yea, and Mr. Warneck – Absent. Carried.

- XI. **Adjournment:** With no further business before the board, a motion to adjourn was made by Ms. L’Huillier, seconded by Mr. Walldroff. All in favor. The meeting was adjourned at 10:31 a.m.

Respectfully submitted,
Peggy Sampson

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Income Statement for the Three Month Period Ending March 31, 2024

Prepared by Lyle Eaton, March 27, 2024

UNRECONCILED

	Current Year Budget	Year-to-Dat e Total	Current Month	Previous Month	Balance Remaining
Revenues					
Application & Process Fees	\$ 12,000.00	6,352.00	\$ 3,850.00	0.00	5,648.00
Bond Admin Fee	3,000.00	3,000.00	0.00	3,000.00	0.00
PILOT/Sale Leaseback Fees	1,079,306.00	0.00	0.00	0.00	1,079,306.00
Fee Income - RLF Program	43,422.00	10,855.50	3,618.50	3,618.50	32,566.50
Fee Income - Micro Program	24,087.00	6,021.75	2,007.25	2,007.25	18,065.25
Interest Income	500.00	43.13	0.00	20.85	456.87
Interest Income - RLF Program	40,000.00	14,697.18	4,861.60	6,313.25	25,302.82
Late Payment Penalty RLF	0.00	32.50	0.00	32.50	(32.50)
Interest Income - Micro Prog.	5,000.00	1,382.78	321.56	478.92	3,617.22
Late Payment Penalty - Micro	700.00	64.99	0.00	33.30	635.01
Miscellaneous Income	5,000.00	25,705.00	25,705.00	0.00	(20,705.00)
YMCA Income	0.00	15,976.30	0.00	6,357.11	(15,976.30)
Total Revenues	1,213,015.00	84,131.13	40,363.91	21,861.68	1,128,883.87
Operations					
Office Expense	2,000.00	416.75	0.00	11.00	1,583.25
Admin Services Exp	713,694.00	178,425.00	59,475.00	59,475.00	535,269.00
Depreciation Expense - Siding	16,296.00	4,073.88	1,357.96	1,357.96	12,222.12
D&O Insurance	16,500.00	4,002.75	1,334.25	1,334.25	12,497.25
Commercial Insurance	8,500.00	2,435.55	811.85	811.85	6,064.45
FTZ Expense	1,250.00	0.00	0.00	0.00	1,250.00
Legal- Retainer	18,000.00	4,500.00	0.00	4,500.00	13,500.00
Legal - Unrestricted	5,000.00	0.00	0.00	0.00	5,000.00
Legal YMCA	1,000.00	0.00	0.00	0.00	1,000.00
Accounting & Auditing	23,000.00	18,300.00	0.00	18,300.00	4,700.00
Coffeen Park Taxes	2,500.00	2,361.69	0.00	0.00	138.31
Airport Park Taxes	1,100.00	1,100.61	0.00	0.00	(0.61)
Fees Expense	500.00	115.20	0.00	5.20	384.80
Bad Debt--RLF	190,000.00	0.00	0.00	0.00	190,000.00
Bad Debt--Micro	35,000.00	0.00	0.00	0.00	35,000.00
RLF Program Expense	43,422.00	10,855.50	3,618.50	3,618.50	32,566.50
Microenterprise Program Exp	24,087.00	6,021.75	2,007.25	2,007.25	18,065.25
RLF Audit Expense	800.00	0.00	0.00	0.00	800.00
Building Depreciation- 146 Ars	109,166.00	26,680.89	8,893.63	8,893.63	82,485.11
146 Arsenal Gas	0.00	796.93	0.00	796.93	(796.93)
Miscellaneous - Unrestricted	1,200.00	0.00	0.00	0.00	1,200.00
Total Operations	1,213,015.00	260,086.50	77,498.44	101,111.57	952,928.50
Total Revenue	1,213,015.00	84,131.13	40,363.91	21,861.68	1,128,883.87
Total Expenses	1,213,015.00	260,086.50	77,498.44	101,111.57	952,928.50
Net Income Over Expenditures	\$ 0.00	(175,955.37)	\$ (37,134.53)	(79,249.89)	175,955.37

For Internal Use Only

Jefferson County IDA
Balance Sheet
March 31, 2024

ASSETS

Current Assets		
General Checking	\$	1,684,431.88
Savings Account		258,777.02
Microenterprise Account		100,990.16
City Loan Account		287,874.86
Revolving Loan Fund Account		2,172,383.11
PILOT Monies Receivable		505.38
Miscellaneous Receivable		77,809.37
Acct Receivable - Rogers		17,519.31
RLF Loans Receivable		2,130,990.26
Microenterprise Loans Rec.		120,096.52
Allowance for Bad Debt-RLF		(190,000.00)
Allow. for Bad Debts-MICRO		(35,000.00)
Prepaid Expense		13,326.84
		<hr/>
Total Current Assets		6,639,704.71
Property and Equipment		
Accum Depr - Building	(1,220,657.01)	
Accum Depr. Equipment	(52,269.66)	
Accumulated Depreciation Sidin	(47,528.60)	
		<hr/>
Total Property and Equipment		(1,320,455.27)
Other Assets		
IT Server	6,050.00	
Equipment	13,366.00	
Corp. Park Improvements	209,995.14	
Airport Property	884,326.02	
Intangible Asset	53,195.00	
WIP Airport	401,179.58	
WIP Intersection	244,973.52	
Woolworth Building	505,000.00	
Rail Siding CCIP	244,434.00	
Land 146 Arsenal	126,577.50	
146 Ars Building Improvements	3,264,556.08	
		<hr/>
Total Other Assets		5,953,652.84
		<hr/>
Total Assets	\$	<u><u>11,272,902.28</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable - Unrestrict	\$	59,475.00
PILOT Monies Payable		23.95
RLF Loan Payable		700,000.00
Due HUD - RLF Interest		360.17
Due HUD - MICRO Interest		1.56
Due HUD - CITY Loan Interest		4.72
ARPA Airport Sewer		1,208,000.00
Car Freshner Signage		11,000.00
		<hr/>
Total Current Liabilities		1,978,865.40
Long-Term Liabilities		
Due NYS/IAP L.T.		180,159.78

Unaudited - For Mana_g_ent Purposes Only

Jefferson County IDA
Balance Sheet
March 31, 2024

Deferred Revenue - Rogers	18,000.51	
	<hr/>	
Total Long-Term Liabilities		198,160.29
		<hr/>
Total Liabilities		2,177,025.69
Capital		
General Fund Bal - Unrestrict.	3,704,602.38	
Fund Bal - RLF Restricted	4,109,139.27	
Fund Bal - Micro Restricted	190,659.76	
Fund Bal - City Restricted	287,870.22	
Cap. Impr. Convergys	979,560.33	
Net Income	(175,955.37)	
	<hr/>	
Total Capital		9,095,876.59
		<hr/>
Total Liabilities & Capital	\$	11,272,902.28
		<hr/> <hr/>

Jefferson County IDA
Unrestricted Aged Payables
As of Mar 31, 2024

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Vendor	Invoice/CM #	Date	Net To Pay
JEFF COUNTY LDC	ADMIN3	3/1/24	59,475.00
JEFF COUNTY LDC			59,475.00
			59,475.00

Jefferson County IDA
Cash Disbursements Journal
For the Period From Mar 1, 2024 to Mar 24, 2024

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
3/1/24	8061	200001 200001 100001	Invoice: ADMIN1 Invoice: ADMIN2 JEFF COUNTY LDC	59,475.00 59,475.00	118,950.00
3/1/24	8062	200001 100001	Invoice: 24-086 BERNIER, CARR & ASSOCIATES, P.C.	3,238.00	3,238.00
3/5/24	8063	200001 100001	Invoice: 1/24, 2/24, 3/24 HARRIS BEACH	4,500.00	4,500.00
3/5/24	8065	200001 100001	Invoice: 1/24 PAINFULL SACKETS HARBOR LDC	424.02	424.02
3/5/24	8066	200001 100001	Invoice: AVA-00144815 XACTUS	11.00	11.00
3/5/24	8067	200001 100001	Invoice: 1/24 PAINFULL JEFFERSON COUNTY INDUSTRIAL	565.85	565.85
3/18/24	8068	200001 100001	Invoice: 3/24 LCO JEFFERSON COUNTY INDUSTRIAL	2,438.52	2,438.52
3/18/24	8069	200001 100001	Invoice: 3/24 LCO NORTH COUNTRY ALLIANCE	1,320.77	1,320.77
3/19/24	8070	200001 100001	Invoice: 3/24 CONVALT JEFFERSON COUNTY INDUSTRIAL	2,125.00	2,125.00
3/19/24	8071	200001 100001	Invoice: 3/24 CONVALT SACKETS HARBOR LDC	500.00	500.00
	Total			134,073.16	134,073.16

Jefferson County IDA
General Checking Cash Receipts Journal
For the Period From Mar 1, 2024 to Mar 31, 2024

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Date	Account ID	Transaction	Line Description	Debit Amnt	Credit Amnt
3/1/24	121001 100001	ACH	Invoice: 3897 OYA ELLISBURG SOLAR, LLC	36,285.67	36,285.67
3/6/24	207005 205602 100001	19874	DUE MICRO DUE SHLDC PAINFULL ACRES	989.87	565.85 424.02
3/6/24	200001 100001	2219	Invoice: RLF ADMIN24-3 JEFFERSON COUNTY INDUSTRIAL	3,618.50	3,618.50
3/6/24	200001 100001	1269	Invoice: MICRO ADMIN24-3 JEFFERSON COUNTY INDUSTRIAL	2,007.25	2,007.25
3/7/24	125001 100001	ACH	Invoice: 3942 HALE'S BUS GARAGE, LLC	25,000.00	25,000.00
3/11/24	205602 202702 100001	031824	DUE SHLDC DUE JCIDA RLF CONVALT ENERGY. LLC	2,625.00	500.00 2,125.00
3/14/24	202704 202702 100001	48193	DUE NCA DUE RLF LCO DESTINY, LLC	3,759.29	1,320.77 2,438.52
3/15/24	121001 100001	ACH	Invoice: 3938 WATERTOWN RENEWABLES, LLC	5,432.13	5,432.13
3/22/24	121001 100001	ACH	Invoice: 3939 WATERTOWN RENEWABLES, LLC	5,101.22	5,101.22
3/25/24	125001 100001	2819	Invoice: 3943 BRENNAN'S BAY , INC	705.00	705.00
3/25/24	125001 100001	091340945	Invoice: 3945 DROIN DISTRIBUTION LTD	100.00	100.00
				85,623.93	85,623.93

**Jefferson County IDA
Micro Loans Receivable
As of Mar 31, 2024**

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Summary Format.

Customer	Amount Due
COLLEEN'S CHERRY TREE INN	21,610.38 Collection
CLAYTON ISLAND TOURS, LLC	33,533.53
PAINFULL ACRES	9,757.31
PINK KETTLE, LLC	15,615.28
TASTE OF DESIGN (3+Months)	10,713.54 Final Notice
THERARTPY	5,028.25
WILLOWBROOK ENTERPRISE, INC.	23,838.23
	120,096.52

**Jefferson County IDA
Revolving Loan Fund Receivables
As of Mar 31, 2024**

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Summary Format.

Customer	Amount Due
CONVALT ENERGY, LLC	850,000.00
JEFFERSON COUNTY INDUSTRIAL	700,000.00
LCO DESTINY, LLC	211,727.58
MARZANO EXCAVATING, LLC	119,172.68
THREE MILE BAY VENTURES, LLC	250,000.00
	<u>2,130,900.26</u>

**Jefferson County IDA
Miscellaneous Receivables
As of Mar 31, 2024**

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM	0 - 30	31 - 60	61 - 90	Over 90 days	Amount Due
CONVALT	3669				27,486.30	27,486.30
CONVALT ENERGY, LLC	3911				11,230.50	11,230.50
					38,716.80	38,716.80
HALE'S BUS GARAGE HALE'S BUS GARAGE, LLC	3944	3,750.00				3,750.00
315-853-8670						
HALE'S BUS GARAGE HALE'S BUS GARAGE, LLC		3,750.00				3,750.00
REENERGY ReEnergy Black River, LLC	3941		3,000.00			3,000.00
518-810-0200						
REENERGY ReEnergy Black River, LLC			3,000.00			3,000.00
THREE MILE BAY THREE MILE BAY VENTURES, LLC	7-10-2020				41,400.00	41,400.00
THREE MILE BAY THREE MILE BAY VENTURES, LLC					41,400.00	41,400.00
Report Total		3,750.00	3,000.00		80,116.80	86,866.80

**Jefferson County IDA
PILOT Receivables
As of Mar 31, 2024**

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM	0 - 30	31 - 60	61 - 90	Over 90 days	Amount Due
31606 FELT MILLS	3924			356.49		356.49
31606 FELT MILLS LLC	3925			148.89		148.89
31606 FELT MILLS				505.38		505.38
31606 FELT MILLS LLC						
Report Total				505.38		505.38

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
March 27, 2024**

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

Absent: Kent Burto

Also Present: David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Joy Nuffer, Robin Stephenson, Joeseph Frateschi, Esq., Joey Drouin
Zoom: Justin Miller, 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. Drouin Distribution Ltd.** – A request for a loan from the MICRO Loan Fund in the amount of \$40,000 to be used for working capital to help facilitate Reefertilizer’s wholesale revenue growth and continued US expansion. The total project cost is \$80,000.

Staff recommended a \$40,000 MICRO Loan at a rate of 6% for a 5-year amortization. Projection to create 2 jobs over three years. The loan will be secured with a lien on all assets of the business, personal guarantees of Joey Drouin, Mike Drouin, cross-corporate guarantee with Reefertilizer Inc. as well as keyman life insurance in the amount of the loan.

Ms. Stephenson provided background information. She said Drouin Distribution is leasing space from the Monthly Boxer (Alex Morgia) located in the Jefferson County Corporate Park in order to better serve growing U.S. demand. She said that they are seeking a MICRO loan to beef up their display at tradeshow.

Mr. Drouin said that he started Reefertilizer in 2017 in Canada with his brother Mike Drouin and started selling their product in 2018. He said they created a video that went viral on Reddit which resulted in a huge increase in demand. He also said that they are in 30 lawn and garden retail locations and noted that their first distributor was BFG.

Mr. Drouin said that they have realized that they need to spend more money on their display at trade shows, which can cost approximately \$10,000 to \$15,000 to attend. He said that they will be attending the Ace Hardware trade show in August in Chicago and the True Value trade show in October. This will help expand their business.

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
March 27, 2024**

Mr. Drouin brought a sample box containing their three products: a Start bag, a Grow bag, and a Bloom bag which sells for \$79.95. He said that he also has 25-pound bags available. The product is for growing cannabis indoors or outdoors in or around home settings.

Mr. Drouin said their plan for next year is to buy larger bags and bag in the Watertown location. He noted that they are only filling orders from that location right now.

Ms. Powers asked if there are any banking concerns. Mr. Drouin said that one of his employees did some research with his previous employer in Colorado for the legality of cannabis fertilizer and discovered that they bank with Key Bank, so Mr. Drouin approached Key Bank to set up an account locally. He emphasized that what they are selling is not illegal since there is no cannabis in the fertilizer. Ms. Powers asked if Mr. Drouin has any aspirations to go beyond the fertilizer stage. Mr. Drouin said maybe in the future.

Mr. Aliasso asked if Mr. Drouin can bypass retail to customize an order directly to a larger customer. Mr. Drouin said yes.

Mr. Drouin said that he uses Ez-Gro located in Kingston Ontario to order his bags. Ez-Gro mixes and fills the bags. Mr. Drouin said that he sold approximately 1,000 trios last year. He said that the current inventory includes 1,500 – 2,000 for each of the three bags. Mr. Drouin noted that they have a federal trademark on the product.

Mr. Aliasso asked if the key man life insurance contingency has been discussed. Ms. Stephenson said yes.

Mr. Drouin left the meeting.

Mr. Aliasso said the loan will be unsecured. Attorney Miller said that we can look at enforcement between the U.S. and Canada and find out if there are any retirement funds or assets. Attorney Frateschi said that we can see if there is any value to his intellectual property associated with the product.

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 –

1. **Executive Session** – At 8:38 a.m., a motion was made by Mr. Condino to discuss financials of a particular corporation, seconded by Mr. Aliasso. All in favor. Committee members, staff and counsel remained.

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
March 27, 2024**

At 8:48 a.m., a motion was made by Mr. Condino to leave the executive session, seconded by Ms. Powers. All in favor. No action was taken.

- V. Adjournment:** With no further business before the committee, Mr. Condino made a motion to adjourn the meeting, seconded by Ms. Powers. The meeting was adjourned at 8:48 a.m.

Respectfully submitted,

Peggy Sampson

Jefferson County Industrial Development Agency

Loan Review Committee

Date: 3/27/2024

Borrower: Drouin Distribution Ltd.
Reefertilizer Inc.
Joey Drouin, Mike Drouin, Peter Maher

Amount: \$ 40,000 JCIDA Micro Loan

Project: Working capital to attend trade shows

Details:
Reefertilizer Tradeshow Expansion Project

Overview

Reefertilizer is a simple, effective, three-step fertilizer and nutrients system that makes it easy for anyone to grow cannabis at home. While our roots are in Canada – we have seen most of our growth come from the US market. In 2021 we caught the attention of America's largest independent L&G distributor BFG Supply and began doing their East Expo in 2022 with much success. As our brand's exposure increased, the stigma around cannabis began to lessen, and more states decided on legalization – we began to hear from more distributors. Currently, we are now working with: BFG Supply, Arett Sales, Orgill, ACE Hardware, and True Value Company.

In November 2023 – to take advantage of these new opportunities – we decided to move our main warehouse from Canada to Jefferson County in Upstate New York, and to set up a C-Corp called Drouin Distribution Ltd. to help facilitate Reefertilizer's wholesale revenue growth and continued US expansion.

Objective

- Expand the brand's reach through retail channels (L&G / Hardware Tradeshow)
- Increase Tradeshow attendance from 2 to 5
- Add 30+ new Ace Hardware locations
- Add 30+ new True Value Hardware locations
- Increase wholesale revenue by 2.5X in 2024
- Raise yearly wholesale revenue to 200K by 2026

Phases of Work / Timeline

Phase 1 – Preparation (April to June): Get flights, hotels, and booths lined up for tradeshows. Finalize any new booth designs and/or repairs and maintenance to be done. Train new staff on brand strategy and key product selling points.

Phase 2 – Show Logistics (July to September): Line-up booth shipping, and the delivery of promotional materials to tradeshow venues. Contact hotels to confirm accommodations and make any necessary meeting reservations.

Phase 3 – Work the Floor (August to October): Meet with retailers, sales team, and key decision makers. Collect as much data as possible from store/franchise owners. Make as many corporate connections as possible to open future doors.

Phase 4 – Follow-ups (October to November): Onboard new retail partners with product info sessions and brand kit. Set-up meetings with distributor sales team members and organize store visits in Spring.

Phase 5 – Order Placing / Fulfillment (December): Prepare inventory projection needed to cover wholesale and DTC sales for next 12 months. Reach out to fertilizer blenders and packaging providers. Get tradeshow orders fulfilled by late-December.

Evaluation Metrics

- Number of new retailers added
- Orders placed at shows / Orders placed in following Spring
- Additional inventory purchased by distributors
- Retailer sentiment on cannabis (compared to previous years)

Personnel: Creating Jobs 2

Sources and Uses:

JCIDA Micro	\$ 40,000	% of Total	Working Capital	\$ 80,000
Cash Equity	\$ 40,000	50%		
Total Sources	\$ 80,000		Total Uses	\$ 80,000

Terms: 5 year amortization at 6% \$ 773.31/mo \$9,279.74/yrly

Financials: Financials provided show the ability to repay this loan as well as their personal equity into the total project.

Projected Proforma – Drouin Distribution, Ltd.

	2024	2025	2026
Income	\$ 246,748	\$ 329,557	\$ 412,304
COG	\$ 76,149	\$ 99,917	\$ 123,787
Gross Profit	\$ 170,599	\$ 229,641	\$ 288,518
Expenses	\$ 160,568	\$ 192,546	\$ 223,337
Total Net	\$ 10,030	\$ 37,095	\$ 65,181

General Assumptions to the Projections:

- DTC sales continue to grow between 10%-15% yrly
- Gross margin stay above 65%
- Increase wholesale revenues by 2.5x in 2024
- Increase wholesale revenues by 200k in 2026
- ACE Hardware & True Value drive wholesale revenue growth
- Advertising spend continues to be 16% of revenue
- General expenses increase at yrly rate of 4%-6%

Collateral: Loan will be secured with a lien on all assets of the business and personal guarantees of Joey Drouin, Mike Drouin with cross-corporate guarantees with Drouin Distribution Ltd, and Reefertilizer Inc. along with key man life insurance in the amount of the loan.

Contingencies:

- Cross-corporate guarantees with Drouin Distribution Ltd, and Reefertilizer Inc.
- Key man life insurance in the amount of the loan

Recommendation:

Staff recommends funding based on financials showing the business' ability to service the debt, along with supporting the creation of up to 2 jobs within the next 3 yrs

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 04.04.2024.01

**RESOLUTION FOR AUTHORIZING A MICRO ENTERPRISE LOAN TO
DROUIN DISTRIBUTION LTD.**

WHEREAS, Drouin Distribution Ltd. requested by application to this Agency a Micro Enterprise Loan in the amount of Forty Thousand Dollars (\$40,000.00) to be used to for working capital to help facilitate Reefertilizer’s wholesale revenue growth and continued US expansion, 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 6%. Projected to create two jobs within the first three years. The total project cost is \$80,000. The loan will be secured with a lien on all assets of the business, personal guarantees of Joey Drouin and Mike Drouin, cross-corporate guarantee with Reefertilizer Inc. along with key man life insurance in the amount of the loan, and

WHEREAS, on March 27, 2024, the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed the 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 Drouin Distribution Ltd. 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 04.04.2024.02**

**RESOLUTION FOR AUTHORIZING A WRITE-OFF FOR THE ACCOUNT
RECEIVABLE FROM
Kenneth Rogers**

WHEREAS, Kenneth Rogers passed away on October 18, 2021, and

WHEREAS, Staff recommends approval to write off the account receivable from Kenneth Rogers with an outstanding balance of \$17,519.31, 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 04.04.2024.03
For Authorized Signers

WHEREAS, the following individuals were recommended to be authorized signers for all Accounts at Watertown Savings Bank and Community Bank effective May 3, 2024:

Robert E. Aliasso, Jr.
David J. Converse
Frank (Marshall) Weir
Jay M. Matteson, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approved the authorized signers 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
 800 Starbuck Avenue, Suite 800
 Watertown, NY 13601
 (315) 782-5865

2024 Board Attendance

Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Aliasso, Robert	P	P	P									
Condino, John	P	P	P									
Converse, David	P	E	P									
Johnson, William	P	P	P									
L'Huillier, Lisa	P	P	P									
Waldroff, W. Edward	P	P	P									
Warneck, Paul	P	P	E									
Totals:	7	6	6									
P - Present												
E - Excused												
A - Absent												

26

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Resolution Number 12.07.2023.03

Amended 04.04.2024

**RESOLUTION FOR AUTHORIZING A
REVOLVING LOAN TO
SHBP Realty Holdings LLC**

WHEREAS, SHBP Realty Holdings, LLC has requested a Revolving Loan in the amount of One Hundred Fifty Thousand Dollars (\$150,000) to be used to purchase Maggie's on the River located at 500 Newell Street, Watertown, NY, to expand the retail side of the business for 1812 Brewing Company, and

WHEREAS, Staff reviewed the request and recommended approval of a loan in the amount of \$150,000 for a 15-year amortization with a 10-year balloon at a rate of 6%. Retention of 55 hourly employees and 2 full-time employees with a projection to create another 17 new jobs over the next three years. Collateral will be secured with a second co-proportional position mortgage with the Watertown Local Development Corporation (WLDC) subordinate to Watertown Savings Bank (WSB) on real estate located at 500 Newell Street, Watertown, NY, a third co-proportional position subject only to the liens of WSB and SBA with the WLDC on all assets of Sackets Harbor Brew Pub, LLC, 1812 on the River, LLC, SHBP Realty Holdings, LLC, and North Country Operating Corp., personal guaranty of Thomas W. Scozzafava as well as key man life insurance up to the amount of the loan, and a business guaranty of 1812 on the River, LLC, Sackets Harbor Brew Pub, LLC and North Country Operating Corp. The loan will be contingent upon approval of the WLDC and WSB loans, and

WHEREAS, on November 29, 2023, the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed the request. The Loan Review Committee added a contingency for a lien on the Sackets Harbor Brew Pub located at 212 W. Main Street, Sackets Harbor, NY. They recommended approval of the loan and terms to the full Board of Directors, and

WHEREAS, the Board of Directors is requiring additional collateral for the 981 Waterman Drive, Watertown, NY, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the request for a One Hundred Fifty Thousand Dollar (\$150,000) loan to SHBP Realty Holdings 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

FIRST AMENDMENT TO GRANT AGREEMENT

Between

Jefferson County Industrial Development Agency

800 Starbuck Avenue, Watertown, NY 13601

And

Town of Hounsfield, NY

18774 County Route 66, Watertown, NY

For

Town of Hounsfield Sewer District #1

Engineering Design Services

April 10, 2024

WHEREAS, a grant agreement (“**The Agreement**”) supporting preliminary engineering design services for the Town of Hounsfield Sewer District #1 (“**The Project**”) was executed on August 10, 2022 by and between the **Jefferson County Industrial Development Agency (“JCIDA”)**, a local development corporation formed under Section 1411 of the Not-For-Profit Corporation Law of the State of New York, with offices at 800 Starbuck Avenue, Suite 800, Watertown, New York 13601 and the **Town of Hounsfield (“The Town”)**; and

WHEREAS, the initial \$292,000 for preliminary design of **The Project** funding has been expended; and

WHEREAS, **The Project** is now prepared to enter final design, bidding, and construction; and

WHEREAS, the cost for those additional services is \$292,000, as indicated in **ATTACHMENT A** to this agreement;

NOW THEREFORE THE PARTIES DO HEREBY AGREE to the following:

1. The term of **The Agreement** is hereby extended through September 30, 2025
2. **JCIDA** will provide an additional grant of \$292,000 to the **Town** so the **Town** may retain the engineering services necessary for final design of **The Project** and for the engineering services necessary to carry **The Project** through bidding, construction, and post-construction activities;
3. **JCIDA** will pay \$292,000 to the **Town**, upon execution of the contract;
4. The **Town** will provide **JCIDA** with copies of invoices paid with these funds and with attestation or proof that the invoices were paid;

5. All other provisions shall remain in full force and effect.

The **JCIDA** and the **TOWN** do hereby cause this Agreement to be executed in their respective names, all as of April 10, 2024.

SIGNED:

**JEFFERSON COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

F. Marshall Weir, Deputy CEO

TOWN OF HOUNSFIELD

Beth Ann Arthur, Town Supervisor

ATTACHMENT A

**First Amendment to Grant Agreement
BETWEEN
JCIDA and Town of Hounsfield**

This is Appendix 1 to EXHIBIT C, consisting of 1 page, referred to in and part of the Agreement between Owner and Engineer for Professional Services dated July 21, 2021

Summary of Fees & Reimbursable Expenses Schedule – Amendment No. 4 – February 14, 2024

(Fees in Bold print Indicate changes in fee amounts from previous contract amounts)

<u>Description of Service</u>	<u>Original Amount</u>	<u>Amendment 1</u>	<u>Amendment 2</u>	<u>Amendment 3</u>	<u>Amendment 4</u>	<u>Revised Total</u>	<u>Basis of Payment</u>
1. Study and Report Phase							
a. Preliminary Engineering Reprt (previous agreement)	-	-	-	-	-	-	Lump Sum
b. Revise Preliminary Engineering Report (previous agreement)	-	-	-	-	-	-	Lump Sum
c. MPR, District Form., Bond Res., IMA Assistance (previous agreement)	-	-	-	-	-	-	Lump Sum
d. Revise Prallinary Engineering Report	\$15,000.00	-	-	-	-	\$15,000.00	Lump Sum
e. Project Development Assistance	-	\$20,000.00	-	-	-	\$20,000.00	Lump Sum
2. Basic Services							
a. Preliminary Design Phase	TBD	-	\$65,000.00	-	-	\$65,000.00	Lump Sum
b. Final Design Phase	TBD	-	\$65,000.00	\$32,000.00	\$8,000.00	\$105,000.00	Lump Sum
c. Bldding Phase	TBD	-	-	-	\$20,000.00	\$20,000.00	Lump Sum
d. Construction Phase	TBD	-	-	-	\$95,000.00	\$95,000.00	Hourly
e. Post-Construction Phase	TBD	-	-	-	\$4,000.00	\$4,000.00	Hourly
3. Additional Services							
a. Subcontract Administration	TBD	-	\$4,000.00	-	-	\$4,000.00	Hourly
b. Subcontracted Services	TBD	-	\$80,000.00	-\$35,000.00	-	\$45,000.00	Hourly
c. Verification of Existing Conditions	TBD	-	\$5,000.00	-\$5,000.00	-	\$0.00	Hourly
d. ROW Assistance	TBD	-	\$10,000.00	-	-	\$10,000.00	Hourly
e. Permits	TBD	-	\$25,000.00	-	\$15,000.00	\$40,000.00	Hourly
f. Funding Assistance	TBD	-	\$25,000.00	\$8,000.00	\$20,000.00	\$53,000.00	Hourly
g. Record Drawings / O&M Manuals	TBD	-	-	-	\$5,000.00	\$5,000.00	Hourly
h. ReImbursable Expenses	TBD	-	\$3,000.00	-	-	\$3,000.00	Hourly
i. Other Additional Services (A2.02 from Exhibit A)	TBD	-	\$10,000.00	-	-	\$10,000.00	Hourly
4. Resident Project Representative							
	TBD	-	-	-	\$125,000.00	\$125,000.00	Hourly
Total	\$15,000.00	\$20,000.00	\$292,000.00	\$0.00	\$292,000.00	\$619,000.00	

ReImbursable Expenses are subject to review and adjustment per Exhibit C. Rates and charges for ReImbursable Expenses as of the date of the Agreement are delineated in the "Barton & Loguidice, D.P.C., Billing Rates Scheudle for 2024" attached hereto.

