

**Jefferson County Industrial Development Agency
Board Meeting Minutes
April 4, 2024**

The Jefferson County Industrial Development Agency held its board meeting on Thursday, April 4, 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, David Converse, Paul Warneck

Excused: None

Absent: None

Also Present: Christine Powers, Rob Aiken, Joseph Frateschi (Harris Beach), Craig Fox (Watertown Daily Times)

Zoom: Hari Achuthan (Convalt Energy) and Kurtis Holle (KeyBanc Capital Markets)

Staff Present: Marshall Weir, Lyle Eaton, Peggy Sampson, Joy Nuffer, Robin Stephenson, Jay Matteson

- I. Call to Order:** Chairman Aliasso called the meeting to order at 8:27 a.m.
- II. Privilege of the Floor:** Guests were invited to speak. No one spoke.
- III. Minutes:** Minutes of the meeting held March 7, 2024 were presented. A motion to approve the minutes as presented was made by Ms. L’Huillier, seconded by Mr. Johnson. All in favor. Carried.
- IV. Treasurer’s Report:** Mr. Warneck reviewed the financials for the period ending March 31, 2024. He reviewed the delinquent loans. He noted that the Colleen’s Cherry Tree Inn loan is being turned over for collection. Taste of Design is three months behind and has been issued a default notice.

After discussion, a motion was made by Mr. Warneck 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 mentioned the proposed Boralex project in the Town of Hounsfield. He said that they have acquired property on Slaughter Road for \$970,000 and received approval from ORES to expand their project. He said that they have not approached our IDA to start negotiations for a PILOT.

Mr. Matteson mentioned that one of the Ag grantees is raising sheep to graze the solar projects. He also mentioned that he would re-circulate a technical paper that the Tug Hill Commission developed several years ago relating to solar.

Deferiet –

Mr. Johnson noted that NYSERDA has changed their mind on the Deferiet site. Mr. Weir said that it is because National Grid pulled up all of the transmission lines, which altered the scope of putting in a solar project.

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b. Corporate Park Ad Hoc Committee – No report.

c. Loan Review Committee –

- i. Resolution No. 04.04.2024.01 for Drouin Distribution Ltd.** – A request for a \$40,000 loan to be used for working capital to help facilitate Reefertilizer’s wholesale revenue growth and continued U.S. expansion.

Staff recommended a \$40,000 MICRO loan at a rate of 6% for a 5-year amortization. They are projecting to create two jobs within three years. 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. as well as keyman life insurance up to the amount of the loan.

Mr. Condino said that it is hard to believe that their product is unique. He said it is marketed toward home growers, indicated that the name is suggestive and said the loan is a bit of a risk. It was noted that the product is fertilizer and does not contain cannabis. Board Members agreed that the loan is essentially unsecured and that there may be no recourse. There was a suggestion that we require the borrower to keep a certain amount of inventory at the Watertown location. Attorney Frateschi said that he may need to contact Canadian counsel to see how the IDA can secure assets in Canada. Mr. Warneck suggested giving the loan in phases. He said that it is the riskiest loan that he has seen at the IDA.

Hari Achuthan and Kurtis Holle joined the meeting at 9:00 a.m.

Executive Session –

At 9:03 a.m. a motion was made by Mr. Converse to enter into an executive session to discuss the personal financials of a particular person or corporation, potential legal issues, and the potential disposition/acquisition of real estate, seconded by Mr. Warneck. Board Members, LDC Board Members, Staff, and Counsel remained.

Mr. Achuthan and Mr. Holle left the meeting during the executive session.

Mr. Aiken left the meeting at 10:00 a.m. during the executive session.

At 10:01 a.m. a motion was made by Mr. Converse to leave the executive session, seconded by Mr. Johnson. All in favor.

Resolution No. 04.04.2024.01 continued - A motion was made by Mr. Converse to approve the resolution, seconded by Mr. Johnson. Chairman Aliasso called for a vote. Mr. Warneck, Mr. Johnson, and Mr. Walldroff opposed. At this time, Mr. Warneck suggested amending the resolution to reduce the amount from \$40,000 to \$20,000. A motion to amend the resolution was made by Mr. Warneck, seconded by Mr. Converse. Roll call vote. Mr. Johnson – No, Mr.

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Converse – Yes, Mr. Walldroff – Yes, Mr. Warneck – Yes, Ms. L’Huillier – Yes, Mr. Condino – Yes, and Mr. Aliasso. Discussion ensued. Mr. Walldroff asked if we would be able to report delinquencies to the guarantor's credit reports in Canada if necessary. Attorney Frateschi said that he will have to talk to an attorney in Canada to determine how that could be accomplished among other things. Roll call vote approving the amended resolution. Mr. Johnson – No, Mr. Converse – Yes, Mr. Walldroff – Yes, Mr. Warneck – Yes, Ms. L’Huillier – Yes, Mr. Condino – Yes, and Mr. Aliasso. Carried.

VI. Unfinished Business:

- 1. Resolution No. 12.07.2023.03 for Sackets Harbor Brew Pub LLC d/b/a 1812 Brewing Company – Amended on 04.04.2024 to SHBP Realty Holdings LLC** – Attorney Frateschi said that this is a clean-up resolution making sure that the IDA has proper coverage since Mr. Scozzafava is operating out of four corporate entities. He said that SHBP Realty Holdings LLC is holding the real estate. He also noted that the SBA loans pushed the IDA interest to a third position. A motion was made by Mr. Warneck to approve the amended resolution, seconded by Mr. Condino. All in favor. Carried.
- 2. First Amendment to Grant Agreement - Town of Hounsfield Contract for Sewer System Design** – The original agreement was executed on August 10, 2022, with an initial payment of \$292,000 for the preliminary design of the project. The project is now prepared to enter final design, bidding, and construction. The cost for those additional services is \$292,000. The term of the agreement is being extended through September 30, 2025. A motion was made by Mr. Converse to approve the First Amendment to Grant Agreement, seconded by Mr. Warneck. All in favor, except for Mr. Condino who recused himself. Carried.

VII. New Business:

- 1. Resolution No. 04.04.2024.02 to write off Kenneth Rogers account receivable** – Kenneth Rogers passed away on October 18, 2021. Staff recommended approval to write off the accounts receivable with an outstanding balance of \$17,519.31. A motion was made by Mr. Converse to approve the resolution, seconded by Mr. Johnson. All in favor. Carried.
- 2. Resolution No. 04.04.2024.03 for Authorized Signers** – 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, and Jay M. Matteson. A motion was made by Mr. Condino to approve the resolution, seconded by Ms. L’Huillier. All in favor. Carried.

VIII. Counsel: None.

- IX. Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Condino, seconded by Mr. Johnson. All in favor. The meeting was adjourned at 10:20 a.m.

Respectfully submitted,
Peggy Sampson

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 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 **Twenty Thousand Dollar (\$20,000.00)** 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.



F. Marshall Weir
Deputy CEO

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 04.04.2024.02

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

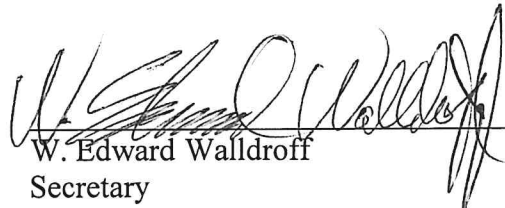
WHEREAS, Kenneth Rogers passed away on October 18, 2021, and

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

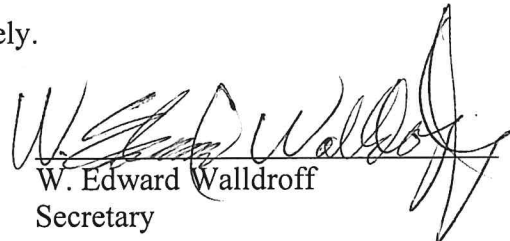
WHEREAS, the following individuals were recommended to be authorized signers for all Accounts at Watertown Savings Bank and Community Bank effective May 3, 2024:

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
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

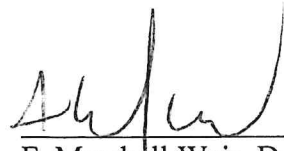
WHEREAS, on November 29, 2023, the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed the request. The Loan Review Committee added a contingency for a lien on the Sackets Harbor Brew Pub located at 212 W. Main Street, Sackets Harbor, NY. They recommended approval of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



F. Marshall Weir, Deputy CEO