

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
February 25, 2026**

Present: David Converse (Chair), Rob Aliasso, John Condino, Charles Capone

Absent: None

Also Present: Marshall Weir, Jay Matteson, Dorena Kimball, Peggy Sampson, Robin Stephenson, Hon. William Johnson, Paul Warneck, Rob Aiken, Neil Habig
Zoom: Justin Miller, Esq. (Harris Beach), Lisa L’Huillier, KC Bennett, Eric Ridley, Abby McNally, Matt Siver, Daniel Postal, Diana Boyland

I. Call to Order: Chair Converse called the meeting to order at 8:17 a.m.

II. Loans

- 1. Three Mile Bay Ventures, LLC** – KC Bennett thanked everyone for their patience. He said Sally Port has had a lot of developments over the last twelve months. He said they proved that booking large weddings and bigger events is possible. They went from having 5 weddings in the first partial season to having 32 weddings last year and likely even more this year. He said the operational picture remains positive. The one aspect they are looking to fix is the lodging – the lack of lodging is crushing them in their ability to get bigger/better weddings, large corporate events and manage what happens in the off season. They have partnered with Pioneer Companies out of Syracuse for their expertise and their track record of doing this on other properties to help with the agreement with Hilton to build an outset collection property. They are working to find a final solution for the outstanding bills.

Eric Ridley, President and COO of Pioneer Companies, said they are a 40-year property management development and construction firm. They are a credited Hilton operator and have done developments big and small, including a similar project in Colorado. They are now out talking to their investor pool (friends, family, local investors). They fully acknowledge their debt and are working quickly to do something in six or eight months that would normally take a year and a half to two years to do. He said the other side of their business is construction management firm and operator so they would manage and operate the asset which brings the ability to reduce costs, increase efficiency and speed. They are coming up with a solution to create more efficiency in the existing operation while they source debt and equity for the full build out which is necessary to maximize the full potential.

Mr. Ridley said Abby McNally has experience in hospitality and compliance.

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Three Mile Bay Ventures, LLC – continued

Mr. Bennett summarized that they are trying to find the right investors, starting the construction work and the underwriting process. He said the bridge between Chaumont and Three Mile Bay and the one past Three Mile Bay are being taken out. He has been in contact with Assemblyman Scott Gray who has a meeting with scheduled with county officials next week. There will be a negative impact, and they are trying to find a solution.

Mr. Bennett said the expansion vision is creating a resort experiential type campus. Mr. Aliasso said the plans sound exciting, but the IDA is not part of the expansion at this moment, but Sally Port's success is hinged upon what they are trying to do. The IDA has an outstanding fee from the sales tax exemption project and the RLF. Mr. Warneck said we need to see a plan to come current.

Mr. Ridley said they are working with the senior lender. He said the goal is to enhance the current operation to drive revenue, that way the asset can be self-sustainable while they get the rest of the site built out. They are going to reconfigure the operation, so the revenue comes in house (hire their own chef and prepare their own food). It's a six-to-eight-month process to get food vendors lined up, menu's developed, chef on board which will ramp up over a period of time.

Mr. Aliasso asked if it would be possible to have a preliminary plan in May. Mr. Ridley said yes. Mr. Capone said it would be important to see year-to-date figures from last year with some projections and then with noted changes we could compare to actual numbers with the new management style. He said we should also get the booking information for this year which includes the value. Mr. Ridley said they would be happy to attend in person and share the requested information.

Attorney Miller said we intended to close on a full PILOT but the lender at the time didn't get comfortable with the IDA lease leaseback so we only executed on a sales tax exemption. He asked if the Pioneer Companies have control of the property owner or the operating entity or an equity interest. Mr. Ridley said that it is pending and they are working as advisors on this project. Attorney Miller said it would be helpful if Mr. Bennett could provide a full update on the senior debt and its status. He said the IDA would have to approve any equity shift first and then re-underwrite. Mr. Ridley said it may be beneficial to have a joint lender call in the near future. He said they have had bi-weekly meetings with the senior lender, and they seem amenable to the proposal they put before them; although they are not willing to - amend the loan agreement but have agreed to suppress payments with some capitalized interest.

Mr. Bennett and Mr. Ridley left the meeting.

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- 2. The Treehouse Hourly Child Care, LLC** – Mr. Weir said they are looking for a bridge loan to get them moving forward. He said they have a grant that they are expecting in the third or fourth quarter of next year. He said the terms will be 12 months interest only at 6% and noted it is a complicated application.

Ms. Kimball said with her experience in healthcare she is concerned with them receiving their updated rates that they are expecting to enhance the ability to pay us according to the plan. She said they've taken a new line of business to try to help their shortfall from what happened to them from 2025 of some revenue streams being depleted.

Ms. McNally left the meeting.

Ms. Kimball said looking at their forecast and understanding the Department of Health (DOH) side of what they are up against is a reservation that she has for the rates they expect to receive. She said the turnaround time with the DOH does not happen quickly. She said another concern is that they are very debt heavy and highly leveraged both professionally and personally. The ability to make the balloon payment at the end of the 12 months is probably not as they hope because there are probably other expenses that they are enduring right now.

Mr. Weir said from the overall agency standpoint they need \$180,000. He said the WLDC was ideally looking at the three agencies to come in with \$60,000 each. It is his understanding that the WLDC is moving forward with the full amount and if we are so inclined that we would come in with \$60,000 to alleviate some of their risk. He said this is not a situation where if we don't move forward this doesn't happen. He mentioned the importance of childcare. He said this may not be as compelling if not for the space that they are in; it is not necessarily the case that we are taking 27 childcare spots off the table.

Mr. Capone disclosed that he is the loan officer for this project. He said this is totally an economic development loan. He said about a year ago Ms. Burt transformed into a special needs facility because of the unknowns with the Watertown City School District, so she was prepared in case she lost classrooms from Pre-K through the high school; she ultimately lost two classrooms, so she pivoted to special needs. With special needs students the reimbursement rate with NYS is different than the traditional student. She has gone back and forth with NYS to get a per diem rate on the students. His understanding is that they have negotiated the rate and she is working with legislators to get that money rolling and she has been doing this since November; supplying her payroll costs out of pocket.

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The Treehouse Hourly Child Care, LLC – continued

Mr. Capone said the bank increased her line of credit. He said it didn't meet with traditional bank underwriting, so it goes to economic development type loan due to services provided to the community, which is much needed. He said Ms. Burt has done an excellent job and has a great reputation and is a very sound and reliable leader for this. He said the employees need to get paid without interruption, so he approached Kylee McGrath at WLDC. He said Ms. Burt did provide us with the values that were approved. Ms. Kimball said typically the cost report determines the rate and Mr. Burt would have to submit her 2025 cost report.

Mr. Condino said to be clear Ms. Burt is not being reimbursed right now, Ms. Stephenson confirmed. Mr. Condino asked if it will be retroactive; Ms. Kimball said it will be retroactive to what the state agrees to give.

Mr. Converse suggested a shorter term, changing it from a 15-year amortization to a 10-year amortization because of the balloon payment. He said he's seen the facility indicated that it provides a needed service in our community.

Mr. Capone said that the WLDC may do the loans in two disbursements so they can control it better. He said with disbursements, all expenses are out the door for payroll and Ms. Burt is covering all of her operating expenses so he thinks once the reimbursement comes in the loans will be paid off.

Mr. Warneck said we need to get reporting on the use of the working capital. Mr. Capone said it should all be going to payroll.

Mr. Aliasso asked if the projections are at the higher reimbursement rate; staff believes that they are. He asked why the costs went up 30%. Ms. Kimball said that Ms. Burt will have to hire more specialty staff.

A motion was made by Mr. Aliasso to send a recommendation to the full board of directors for a \$60,000 RLF for a 10-year amortization at 6% interest with a balloon in 12 months, seconded by Mr. Condino. All in favor.

- 3. Colleen's Cherry Tree Inn, LLC (CCTI) –** Mr. Capone disclosed that he is the loan officer on the project. Mr. Converse said the owner reached out for a hardship concession due to the loss of her personal job. The loan is currently behind. Ms. Kimball said she received the P&L for 2025 this morning. Mr. Capone said the bank is putting them on interest only.

Mr. Aliasso said he lives in Henderson and this business is hardly ever open. Mr. Capone confirmed they are closed and indicated that they are putting it up for sale. He said it is a seasonal business, and they may open up in March as they are listing it.

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Colleen's Cherry Tree Inn, LLC (CCTI) – continued

Mr. Warneck asked if selling the property guarantees our payment. Mr. Capone said yes if they get their asking price.

Staff recommended receiving payment of late fees due and recommended interest only until July 1, 2026.

A motion was made by Mr. Condino to recommend staff's proposal to the full board of directors, seconded by Mr. Aliasso. All in favor.

Daniel Postal and Diana Boyland joined the meeting via Zoom at 9:15 a.m.

III. Other/Unfinished Business –

- 1. AES Black River Solar, LLC (Sapphire Solar) –** Neil Habig said AES has a number of projects: a 2.5 MW project in the Town of Hounsfield and three utility scale solar projects – the Riverside project, the Limestone project, and the Sugar Maple project. He said they also acquired the Tracey project. He said they are looking to move forward and construct.

Mr. Weir shared a PowerPoint presentation provided by Mr. Habig that mentioned RPTL 575b, PILOT revenue vs. taxes and the New York State Department of Taxation and Finance (DTF) model.

Mr. Habig said they look at what the taxes will be beyond the PILOT duration and the difference between PILOT revenue versus the taxes. He said the county specifically for the larger projects has it in the UTEP that they will require a PILOT with no discount to what ad valorem taxes would otherwise be. He said they were working through the Sapphire project and using the DTF model which is updated every year and it occurred to them the method they were using to forecast the taxes was not correct, so they changed it.

Mr. Warneck informed Mr. Habig that the county changed its policy as it relates to demanding full taxation. He said they will require a negotiated PILOT agreement. He also mentioned the recent amendment to the IDA UTEP. He said we use the DTF for our analysis and have over the last few years. Mr. Aliasso said the county wants all projects to come through the IDA regardless if there is a discount or not. Mr. Warneck said the county is looking for a unified approach to bring all of the taxing jurisdictions together to negotiate a PILOT.

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AES Black River Solar, LLC (Sapphire Solar) – continued

Mr. Habig discussed the concept of PILOTs and ad valorem taxes and the state's model. He said there is a decline in fair market value and ad valorem taxes. Mr. Warneck asked if they get a community credit. Ms. Boyland said they get a NY-Sun base incentive and some other incentives offered by the state (prevailing wage, National Grid statewide solar for all).

Mr. Aliasso said we look at DTF to make sure we are not collecting more than full taxation. Mr. Warneck said originally before the DTF model our goal was to receive at least 50% of normal taxation.

Mr. Warneck said the towns have to run the model every year. He said if it exceeds full taxation it's going to be up to the developer. Attorney Miller said the the GML says that IDA's can't collect in excess of what full taxes would be. He said in any particular year and if the assessment model has an impact that suggests full taxes on the improvements would be less than the IDA PILOT schedule, we could put in a provision that PILOT payments will be the lesser of full taxes or the schedule. Attorney Miller said the AES Black River Solar project is approved and ready to close. He said if we get into a PILOT schedule and we are three years in and it looks like it's going to be upside down, AES for a remainder of the 12 years can decide they want that certainty contract in place or terminate it and the project will go back on the tax rolls and get a tax bill. He asked what AES is asking for from a business standpoint. He said we have a simple solution if it is trying to resolve what full taxes may be in a few years.

Mr. Habig said they didn't come in to negotiate Sapphire but to talk about the concept of PILOTs in relation to ad valorem taxes given the state's requirement to use the DTF model to determine ad valorem taxes.

Attorney Miller said the IDA UTEP does exempt the land and we freeze the value as we find it and full taxes are paid on that land as a component of the PILOT agreement. What we do abate and provide a PILOT payment structure for is for the improvements and the per megawatt charge that may in full disclosure based on the new model start to rise above what full taxes would be. He said we can fix it if the PILOT schedule dictates a payment higher than the model's determination of full taxes; the lesser of would be paid. He said it is important to note that the IDA does not have control over the assessment process; a value is assigned and if it is not right the owner of the improvement can deal with the assessor.

AES will provide Mr. Warneck with information needed to run the model. Future conversations will be at the Alternative Energy committee meeting.

Mr. Habig and Ms. Boyland left the meeting at 10:06 a.m.

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- 2. PILOT Application – Watertown Industrial Center LDC** – Attorney Miller said the WICLDC has had a PILOT in place since 1995. The most recent extension approved in 2016 technically expires at the end of March. They submitted an application asking for a ten-year extension using the same model which involves the amount of occupied square feet and the different kinds of space in the buildings. The calculation of last year of what full taxes would have been based on current assessment versus what the PILOT generated, and the rough math was approximately \$38,000 in full taxes versus approximately \$32,000 in PILOT payments made; not a huge annual savings but it does provide some certainty because they have a rotating cast of tenants and need predictability. The savings to be accrued over 10 years might be around \$70,000 – enough of an incentive to keep the contract alive. Attorney Miller has prepared a resolution for next week’s board meeting that would approve a ten-year extension of the PILOT and the lease with some technical revision because the 2016 version doesn’t have a lot of the necessary legal language. He said there is no public hearing requirement because the amount of assistance we reasonably believe is going to be less than \$100,000. The resolution will allow him to prepare the PILOT and lease agreement extensions that will have the same payment schedule in it. The WICLDC asked the IDA to waive its application fee and the administrative fee that would normally be charged (they don’t have a project cost so there is nothing to measure the 1.5% by). Mr. Aliasso asked if they will pay the legal fees. Mr. Weir said they have some ability to pay the legal fees. Mr. Warneck said they are our landlord and partner. Mr. Converse said it is economic development.

A motion was made by Mr. Aliasso with moving the extension request to the full board of directors with collection of no fees, seconded by Mr. Capone. All in favor.

- 3. CWT Farms International Inc. Expansion**– Mr. Matteson said this is an introductory presentation for an expansion project at the current location. He said they plan to submit their application by mid-March so it can go in front of this committee on March 25th.

Mr. Matteson reviewed the contract drawings. He said CWT is a 50,000 square foot facility with a PILOT in place. He and Mr. Weir met with the CEO last evening. He said they are extremely pleased with how this facility has worked out because they have a 95% hatch rate. Last fall they were talking with Mike Lundy about expanding their capacity and building a new facility outside of NYS. Mr. Lundy suggested an expansion at the current facility. Mr. Matteson said we prepared a proposal for financial incentives, and they have been working with Mr. Lundy and Corry Lawler for this expansion.

Mr. Matteson said there are plans for expansion calls for expansion on the north end of the plant (16,000 square feet) and the south end of the plant (\$3,000 square feet). He said they are working on local approvals and environmental permitting. Ms. L’Huillier said the county planning board passed it last night.

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CWT Farms International Inc. Expansion– continued

Attorney Miller said the existing PILOT will stay in place and go for the term that was provided with that PILOT. They can apply for assistance for the addition. We would amend the PILOT and there will be a schedule for the addition that will go out further than the existing PILOT, so it would be an amendment – they will get the original abatement and get a whole new abatement on the addition.

Mr. Matteson said the estimated cost is \$8M and they plan to expand employment 10% (2 employees).

- IV. Adjournment:** With no further business before the committee, Mr. Condino made a motion to adjourn the meeting, seconded by Mr. Aliasso. The meeting was adjourned at 10:20 a.m.

Respectfully submitted,

Peggy Sampson