

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
April 27, 2022**

Present: David Converse (Chair), John Jennings
Zoom: Kent Burto, Rob Aliasso

Excused: Christine Powers

Also Present: David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Bill Johnson,
Brendan Straub from Channel 7 News
Zoom: Paul Warneck

- I. Call to Order:** Mr. Converse called the meeting to order at 8:00 a.m.
- II. Pledge of Allegiance**
- III. Convalt Manufacturing LLC (Warehouse)** – A request for a PILOT/Lease leaseback for a warehouse located at 100 Purdy Avenue (709 Rear Pearl Street), Watertown, NY. The warehouse will be used to store solar manufacturing equipment and finished goods. The current cement pad will be extended outward.

Mr. Zembiec said that the building is currently owned by Living Waters Church and is in the City of Watertown and Town of Pamela. He said the project will fall under the typical UTEP and noted that the first truck full of equipment from Oregon has already arrived.

Mr. Jennings asked if construction has started. Mr. Zembiec said that cleanup has started, but not construction. He said this project will be tied to the operation at the Business Complex and indicated that the application fee has already been paid.

Mr. Zembiec said that Convalt will acquire a second warehouse also located on Pearl Street and identified it as the former Black Clawson building at 511 Pearl Street. He said today's application will be revised to include the second warehouse project which will use sales tax only. He noted that the total project cost for the second warehouse will be \$200,000 with a \$16,000 sales tax savings.

Mr. Jennings asked if the project has to go to the planning board. Mr. Zembiec said yes and indicated that it will need to be approved before we can close on our end. Mr. Zembiec said that we will get the final numbers, revise the cost benefit analysis and send the information in the upcoming board packet.

Attorney Miller asked if the second warehouse project will be financed with a mortgage. If so, he said that it will affect the analysis. He also pointed out that if there will be an exemption from mortgage recording then it will need to be a lease leaseback. Mr. Zembiec will check into it.

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Mr. Aliasso said the applicant checked the box for tax exempt financing. Mr. Zembiec said it is an error and will be fixed. Mr. Aliasso asked what the \$300,000 manufacturing equipment line item represents. Mr. Zembiec will look into it. Mr. Aliasso pointed out that the summary sheet shows a combined tax \$577,796, but the cost benefit analysis does not. Mr. Eaton said the CBA program changes the numbers. Mr. Aliasso thinks it's a defect of the program.

Attorney Miller asked how a PILOT is structured in the UTEP for warehousing. Mr. Zembiec said 75% for 5 years, 50% for 5 years and 25% for the last 5 years. Attorney Miller indicated that he would need all tax parcel numbers and a tax map and/or survey for the projects.

After discussion, a motion was made by Mr. Aliasso to get an updated application and information and move to the full board, seconded by Mr. Jennings. All in favor. Carried.

IV. Other/Unfinished Business

1. Convalt Energy, Inc. Mr. Zembiec reported that the Sackets Harbor Local Development Corporation (SHLDC) board approved a \$200,000 loan to participate in our bridge loan to Convalt Manufacturing for a total loan of \$1,050,000. Mr. Zembiec said that we will revise the commitment letter and resolution to incorporate the participation loan amount.

Mr. Jennings asked what the Watertown Local Development Corporation is considering. Mr. Zembiec said their board is considering a \$300,000 loan that will be contingent upon site plan approval and permanent financing. If approved, their commitment would roll into a participation loan with the financing already committed by our agency and the SHLDC.

V. Adjournment: With no further business before the committee, Mr. Jennings made a motion to adjourn the meeting, seconded by Mr. Aliasso. The meeting adjourned at 8:14 a.m.

Respectfully submitted,
Peggy Sampson