

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
February 22, 2023**

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

Excused: None

Also Present: David Zembiec, Lyle Eaton, Peggy Sampson, Joy Nuffer, Robin Stephenson, Bill Johnson, Paul Warneck, Rob Aiken, David Kay (Clayton Island Tours, LLC), KC Bennett (Three Mile Bay Ventures, LLC)

Zoom: Matt Siver (NCA), Sara Bennett and Derek (Three Mile Bay Ventures, LLC)

- I. Call to Order:** Chair Converse called the meeting to order at 8:00 a.m.
- II. Pledge of Allegiance**
- III. Interest Rates** – Chair Converse noted that interest rates are increasing. He suggested that we increase our current rate of 5% to 6%. Ms. Powers said that prime is currently 7.75% and is due to increase a quarter on March 1st which will bring it to 8%. Committee members agreed to using 6% which will be reflected in today’s loan requests and recommended to the full board at the March meeting.
- IV. Clayton Island Tours, LLC (MICRO Loan Request)** – A request for a loan from the MICRO Loan Fund in the amount of \$40,000 to be used for boat motors/upgrades and to install a 1,000-gallon fuel tank. Staff recommended the MICRO Loan Fund for \$40,000 at a rate of 6% for a 5-year amortization. There are 2 employees in the off season and 46 employees in the summer. Collateral will be a first position lien on all assets of the business and personal guarantee of David Kay.

Mr. Kay said that his business has been growing steadily. He said that he is planning to improve infrastructure and upgrade boats to enhance customer service. He said that they have been trucking gas to the boats for the last 10-12 years. He will be installing a 1,000-gallon fuel tank so the gas can be delivered in bulk. He has been making multiple trips to haul gas in a 100-gallon tank in the back of a pickup truck. Ms. Powers asked if he would save money on the price/gallon. He said yes. He said that he has spent \$115,000 on hauling the gas previously. He said that it will be better and safer all around.

Mr. Aiken asked how many boats there are. Mr. Kay said 5. Ms. Powers asked about the food truck. Mr. Kay said he already has a food truck on premises and will get a permit to operate it. Mr. Aliasso asked about engine replacements. Mr. Kay said that they replace two engines every year to keep up on maintenance since they are heavily used.

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
February 22, 2023**

Ms. Nuffer reviewed the loan write up. She said that the business financials show the loan can be repaid. She noted that Mr. Kay is current on his JCLDC REDI loan.

A motion was made by Mr. Aliasso to move the request to the full board of directors, seconded by Ms. Powers. All in favor.

- V. Three Mile Bay Ventures, LLC (Sally Port View, LLC) Updated Loan Request –** Mr. Zembiec said that the IDA originally approved a \$112,500 loan along with the NCA (lead lender) which also approved a \$112,500 loan. He said that one of the contingencies was for a \$1,400,000 Empire State Development grant. Mr. Bennett was recently notified that the grant will not be awarded causing him to adjust the financial aspect of the project.

An updated loan application (Applicant: Three Mile Bay Ventures, LLC) was received requesting the IDA to increase the commitment by \$137,500 for a total loan of \$250,000.

Mr. Bennett said that he was notified last week that he wouldn't receive the state grant. He said that he had to go back and trim the budget and has ordered a re-appraisal that should be done by the end of the week. Some of the modifications include eliminating part of the lighted path, reducing the square footage of the support building from 40'x60' to 20'x40', and changing contractors for the concrete which decreased the cost since inflation is starting to go down. He said that he has a line of credit with Watertown Savings Bank, continues to work with Pursuit for financing and has increased his equity for a new total of \$1,157,000. He said that he is projecting a 6–9-month construction timeline starting in April, and hopes to be operating by January 2024.

Mr. Zembiec said that NCA will have to review/renew their commitment due to the changes. Mr. Zembiec asked if Mr. Bennett is comfortable with removing the \$200,000 out of contingency. Mr. Bennett said yes.

Chair Converse recapped – JCIDA loan request for \$250,000 for a 20-year amortization with a 5-year balloon at a rate of 6%.

A motion was made by Mr. Burto to move the request to the full board of directors, seconded by Mr. Aliasso. All in favor.

VI. Other/Unfinished Business –

- Mr. Zembiec said that we will be receiving a PILOT application from North American Tapes for next month's meeting.
- Mr. Warneck asked if the L2, LLC PILOT has closed. Mr. Zembiec said no.

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
February 22, 2023**

- Spec building – Mr. Zembiec said that a proposed spec building in the corporate park will have to abide by the covenants and receive approval by the Town Planning Board on the condition that its use complied with the covenants.

Chair Converse said that the board could consider sales tax abatement for the construction. Mr. Zembiec said other options could be to make the PILOT assignable to the eventual occupant and/or making the PILOT short term.

Mr. Burto said that while there may be concerns about a spec building, there is also an advantage to having one available (i.e. spec building used by Roth Industries).

- VII. Adjournment:** With no further business before the committee, Mr. Aliasso made a motion to adjourn the meeting, seconded by Ms. Powers. The meeting adjourned at 8:32 a.m.

Respectfully submitted,
Peggy Sampson