

**Jefferson County Industrial Development Agency  
Loan Review Committee Meeting Minutes  
October 25, 2023**

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

**Absent:** Kent Burto

**Also Present:** Paul Warneck, Rob Aiken, Bill, Johnson, David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Joy Nuffer, Robin Stephenson, Thomas Scozzafava, and Sandy Torres from Channel 7 News

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. Sackets Harbor Brew Pub, LLC d/b/a 1812 Brewing Company** – A request for a \$250,000 RLF to purchase Maggie’s on the River located at 500 Newell Street, Watertown, NY to expand the retail side of business for 1812 Brewing Company. Staff reviewed this request and recommended approval of a loan in the amount of \$250,000 for a twenty-year amortization with a 10-year balloon at a rate of 6%. They will retain 57 employees with a projection to create another 17 jobs over the next three years. Collateral will be secured with a second co-proportional position mortgage with the Watertown Local Development (WLDC) (subordinate to Watertown Savings Bank) on real estate located at 500 Newell Street, Watertown, NY, a second position co-proportional with the WLDC on all assets of the business, 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 Maggie’s on the River. The loan will be contingent upon approval of the WLDC and Watertown Savings Bank loans.

Tom Scozzafava gave an overview of his history with the Sackets Harbor Brew Pub which he has owned since 2009. He said they have used several third-party brewing companies over the years which is common practice until he took control and moved the bottling line to 981 Waterman Drive which is located in the City Center Industrial Park (CCIP). He said the process started at the beginning of the COVID pandemic and took two years to get up and running. He said they can now produce up to 120 kegs of beer at the Watertown facility. He indicated that he also bought a canning line for the Watertown facility. He said that the company now controls the process and quality. He said that yesterday he sent his first shipment to the LCBO in Ontario which consisted of 450 cases (approximately \$13,000 worth of beer) which will go into 50 stores.

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Mr. Scozzafava said that the biggest challenge is the intense seasonality of the restaurant business in Sackets. He said that it puts a strain on cash flow and management's time. He said that they decided to purchase Maggie's to use as a retail location rather than build at the CCIP.

Sandy Torres entered the meeting.

Mr. Scozzafava said that the purchase price is \$1.4M. An appraisal from two years ago shows \$1M. He said the purchase will help smooth out seasonality of their business. He plans to rebrand; but doesn't have plans for drastic changes. He said he'll be operating by the hub and spokes strategy. All the brewing will be at the CCIP facility (which was not an ideal place for retail) and there will be two retail locations (Sackets and Maggie's).

Ms. Powers asked what percentage will be in Watertown. Mr. Scozzafava said approximately 65 to 75% will be in Watertown. Ms. Powers reiterated that this is a different model that includes distribution and retail at several locations. Ms. Powers asked if they would change the name of Maggie's. Mr. Scozzafava said he is working with marketing about possible name changes.

Mr. Condino asked Mr. Scozzafava if he has thought about contracting to brew for others. He said he may consider it in the future because they are growing themselves right now. Mr. Condino asked if there is room to expand at the CCIP facility. Mr. Scozzafava said yes and indicated that they have over 2 acres and could double the footprint of the existing facility.

At 8:30 a.m., a motion was made by Ms. Powers to enter into executive session to discuss the financials of a particular person or corporation, seconded by Mr. Aliasso. All in favor. All attendees stayed except for Ms. Torres.

At 8:55 a.m., a motion was made by Mr. Condino to leave the executive session, seconded by Mr. Aliasso. All in favor.

Chair Converse said that the committee met with Mr. Scozzafava to review financials and would like further clarification.

A motion was made by Mr. Aliasso to instruct staff to ask for clarification on financial information before the committee makes a recommendation to the full board of directors, seconded by Mr. Condino. All in favor.

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**IV. Other/Unfinished Business –**

- 1. Lending/Collection Policy and Procedures** – The committee reviewed the policy. Mr. Eaton suggested changing the word ‘will’ to ‘may’ in Section 6 relating to including a balloon payment at the end of a five (5) year period. Committee members suggested adding ‘or ten (10) year period’ after the 5-year period as well. Changes will also be reflected within the program description pages.

A motion was made by Mr. Condino to recommend the proposed changes to the full board of directors. All in favor.

- 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 9:00 a.m.

Respectfully submitted,  
*Peggy Sampson*