

**Jefferson County Industrial Development Agency
Loan Review Committee Meeting Minutes
November 29, 2023**

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

Excused: Rob Aliasso

Also Present: Paul Warneck, Bill, Johnson, David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Joy Nuffer
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 Modification Request**
 - 1. LCO Destiny, LLC** – A request to restructure the current RLF participation loan as a 10-year amortization with a 5-year balloon due to cash flow issues with some new customers (i.e., they are waiting 60 to 90 days to be paid in some instances). The current loan term is a 5-year amortization. Mr. Zembiec said that NCA will also consider the request at their upcoming meeting.

At 8:01 a.m., a motion was made by Mr. Condino to enter into executive session to discuss the financials of a particular person or corporation, seconded by Mr. Burto. All in favor. All attendees remained.

At 8:40 a.m., a motion was made by Ms. Powers to leave the executive session, seconded by Mr. Condino. All in favor.

A motion was made by Mr. Condino to send the request to the full board of directors for their consideration, seconded by Ms. Powers. All in favor.
- IV. Other/Unfinished Business –**
 - 1. Sackets Harbor Brew Pub, LLC d/b/a 1812 Brewing Company** – A request for a \$150,000 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 \$150,000 for a fifteen-year amortization with a 10-year balloon at a rate of 6%. They will retain 2 FT and 55 hourly 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) and the North Country Alliance (NCA) subordinate to Watertown Savings Bank (WSB) on real

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estate located at 500 Newell Street, Watertown, NY, a second co-proportional position with the WLDC and NCA 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, NCA and WSB loans. The Loan Review Committee intends to add contingencies for a lien on Mr. Scozzafava's personal residence located at 251 Rowley Street, Gouverneur, NY and the Sackets Harbor Brew Pub located at 212 W. Main Street, Sackets Harbor, NY.

A motion was made by Mr. Burto to send the request to the full board of directors for their consideration with the intent to get the additional collateral, seconded by Mr. Condino. All in favor.

2. **Marzano Excavating, LLC** – Mr. Zembiec said that Jeffrey Garland (co-owner) called yesterday. He said that Mr. Garland indicated that the seller is getting antsy and would like to close on the property soon. Mr. Garland said that he and Mr. Marzano have reached out to their insurance companies about getting the required life insurance and were both told that it will take some time to get the policies in place. He is requesting a waiver to close the loan in the meantime.

Ms. Powers asked if staff has a copy of the life insurance application as proof that they have started the process. Staff said no.

Mr. Warneck asked if they have existing life insurance policies. Staff did not know. If they have existing policies, they can assign the policies to the IDA in the interim, and then substitute the keyman life insurance once it is in place. Staff will check back with the owners.

- V. **Adjournment:** With no further business before the committee, Mr. Condino made a motion to adjourn the meeting, seconded by Mr. Burto. The meeting was adjourned at 8:46 a.m.

Respectfully submitted,
Peggy Sampson