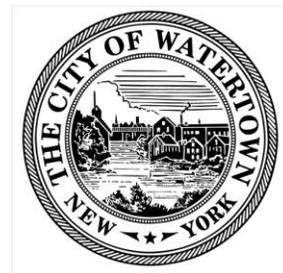


City Council
Work Session Agenda
February 8, 2010
7:00 p.m.



Discussion:

1. 2010 Real Property Revaluation

Presentation by City Assessor Brian Phelps

2. 2009-10 General Fund Budget Update

City Manager Mary M. Corriveau and City Comptroller James E. Mills will provide an update on the City's fiscal position.

3. Proposed Capital Projects

Follow-up from discussion on held on January 11, 2010 regarding the following projects:

- a. Breen Avenue Design Update, City Engineer Kurt W. Hauk
- b. J.B. Wise Parking Lot, Planning and Community Development Coordinator, Kenneth A. Mix

4. Jefferson County Industrial Development Authority Economic Development Inducements

March 3, 2010 Public Hearing Notice on Millennium Development, LLC's request to JCIDA for assistance with the construction and equipping of a new Hilton Garden Inn Hotel. A copy of the JCIDA's Uniform Tax Exemption Policy and the application submitted by Millennium Development, LLC are attached for review.

Reports:

1. Salt Usage Update Report, Superintendent of Public Works Eugene P. Hayes, February 5, 2010.
2. Equipment Auction Update, City Purchasing Agent Robert J. Cleaver, February 05, 2010.

JAMES HEARY

Attorney at Law P.C.

120 Washington Street
Suite 500
Watertown, New York 13601

315/785-8533
fax 315/785-8478
jheary@hearyl原因.com

January 27, 2010

Mary Corriveau, City Manager
City Municipal Building
245 Washington Street
Watertown, NY 13601

Hon. Jeffrey Graham, Mayor
City Municipal Building
245 Washington Street
Watertown, NY 13601



RE: Jefferson County IDA – Millennium Development, LLC

Dear Mayor Graham and Ms. Corriveau:

Enclosed please find a Notice of Public Hearing. Please note that the public hearing is scheduled for **March 3, 2010**, at **9:30 a.m.** at the office of the Jefferson County Industrial Development Agency, 800 Starbuck Avenue, Watertown, NY 13601.

You are welcome to attend such hearing at which time you will have an opportunity, both orally and in writing, to present your views with respect to the project or you may submit your written comments to:

Jefferson County Industrial Development Agency
ATTN: Donald C. Alexander, Chief Executive Officer
800 Starbuck Avenue
Watertown, NY 13601

We are providing this notice to you, pursuant to Chapters 356 and 357 of the Laws of 1993, as the chief executive officer of an affected tax jurisdiction within which the project is located.

Sincerely yours,

JAMES HEARY
Attorney at Law, P.C.

A handwritten signature in black ink that reads "James Heary". The signature is written in a cursive style and is positioned above the typed name.

James Heary
JH:dlb
Enc.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, as amended, (the "**Act**") will be held by the **Jefferson County Industrial Development Agency**, having an address of 800 Starbuck Avenue, Watertown, NY 13601 (the "**Agency**") on March 3, 2010, at 9:30 o'clock A.M., local time, at the Agency's office located at 800 Starbuck Avenue, Watertown, NY 13601.

MILLENNIUM DEVELOPMENT, LLC, (the "**Company**"), has requested that the Agency assist it in the construction and equipping of a 132 hotel rooms with ancillary facilities including banquet and meeting facilities to be located on 3+ acres north of Arsenal Street, in the City of Watertown, Jefferson County, New York (the "**Project**") by taking title to the Project and leasing it back to the Company or by taking a lease from the Company and leasing it back to the Company. The Company will be the operator of the Project.

The Agency contemplates providing financial assistance with respect to the Project in the form of exemptions from sales taxes and mortgage recording taxes, pursuant to the Issuer's Uniform Tax Exemption Policy adopted in accordance with Section 874 of the Act.

The Company's application for the Project is on file with the Agency and is available to the public by contacting the Agency at its address above or viewing it on the Agency's website at www.icjdc.net/JCIDA.asp.

The Agency will at said time and place hear all persons with views on, and receive all written materials with respect to the granting of the financial assistance contemplated by the Agency, or the location or nature of the Project.

DATED: January 27, 2010

JEFFERSON COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: s/ Donald C. Alexander
Donald C. Alexander
Chief Executive Officer

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
UNIFORM TAX EXEMPTION POLICY**

Amended February 3, 2004

I. Statement of Purpose:

The Jefferson County Industrial Development Agency (JCIDA), in accordance with the New York State General Municipal Law (NYS GML) Section 874 is exempt from real property, sales and mortgage taxes. By obtaining a passive interest in the property title of economic development projects, the JCIDA can confer on those projects the advantages of such tax exemptions, thereby enhancing the projects' success and increasing its ability to provide a positive impact to the economy of the County and the residents thereof. It is the intention of the JCIDA that the operation of this policy will enhance the tax base of the County by facilitating projects that would have otherwise been deferred or located elsewhere. The provision of tax abatements by the JCIDA in this manner shall be governed by the content of this policy statement.

II. Policy and Process

A. The JCIDA shall assess and determine the economic impact of a project by use of market analysis, employment generation, taxation and assessment generation, economic impact, and/or community support, and shall approve projects for Payment in Lieu of Tax (PILOT) based upon this economic assessment. The impact of a proposed project on existing and proposed businesses and economic development projects in the vicinity. The amount of private sector investment generated or likely to be generated by a proposed project. The likelihood of accomplishing a proposed project in a timely fashion. The extent to which a proposed project will require additional services such as education, transportation, police, emergency, medical or fire. The extent to which a project will provide additional sources of revenue for municipalities and school districts.

B. The JCIDA shall notify each affected taxing jurisdiction of a pending project. Said notification shall be in written form and include the economic assessment, in advance of the date of the voting on a resolution of inducement by the JCIDA.

C. The JCIDA will retain the ability to grant an exemption of PILOT greater than the schedules contained herein on projects which have unique significance based upon recommendations or agreement of the affected taxing jurisdictions or findings by JCIDA.

D. The assessed valuation of the facility and any improvement shall be the determination of the taxing and assessing jurisdictions for the applicable year, and shall be based upon the percentage of completion of the facility and improvements as established by the assessing jurisdiction.

E. The PILOT Agreement shall contain:

1. For Payment in lieu of Real Property Taxes, a combined schedule as warranted, consisting of "X" and "Y" payments as follows:

a. The "X" payment shall consist of one hundred (100%) percent of the annual assessment and taxation applicable and due on the existing facility and property as of the date of transfer to the JCIDA.

b. The "Y" payment shall consist of the percentage of applicable project exemption entitlement reflected herein for the applicable year, applied to the additional assessment resulting from new property acquisition, construction and/or facility improvements. The equivalent taxes shall be established by applying the actual annual tax rate for each taxing jurisdiction.

The procedure for governing a PILOT and instances in which real property appraisals are to be performed as part of an application for tax assessment. The procedure will provide for the statutory penalty of 5% of the amount due for delinquent PILOT payments.

2. An exemption for sales tax on taxable items incorporated into a project. No sales tax exemptions shall be given for the operation of a project.

3. No payment in lieu of mortgage recording tax shall be made.

4. A provision for the recapture of the benefits afforded by the agreement in the event that the economic activity pledged by the project operator does not occur to the satisfaction of the JCIDA. These provisions will be more particularly described elsewhere in this policy.

5. Each PILOT Agreement shall contain language that addresses the ability of the project operator to contest the assessment of the subject property. One of three approaches shall be utilized:

a. A floating assessment as may be determined from time to time by the local assessor. In such cases, the assessor shall maintain the right to establish and adjust the assessment during the term of the PILOT agreement, and the operator shall maintain the right to contest the assessment as provided for in New York State Law.

b. An alternative dispute resolution procedure that allows for a third party appraisal process to establish an assessment level.

c. A fixed payment or fixed assessment approach that establishes the assessment level for the term of the PILOT agreement. In such cases, both the assessor and the operator agree to forfeit any rights to adjust

or contest the assessment level during the term of the PILOT agreement.

F. As a means to establish the PILOT program as a reliable economic development tool, and in accordance with the provisions of Article 18A of the NYS GML, the JCIDA has the authority to implement a PILOT with an eligible project, provided such PILOT and its implementation conforms with the procedures and provisions of this policy. However, staff of the Agency shall take the steps necessary to reasonably acquaint the affected taxing jurisdictions regarding the parameters of the proposed agreement, the project operator, the nature of the project and the extent of economic impact. The staff, in concert with the Agency Board of Directors shall attempt to address any concerns raised by the Affected Taxing Jurisdictions, and to overcome any objections prior to implementing a PILOT agreement. In any case, the JCIDA shall only directly implement PILOT agreements that conform to this uniform policy and, are for projects that benefit a manufacturer, or are projects that are located in the Watertown Empire Zone.

G. Except for Empire Zone Projects, no Commercial/Retail Facilities/Office Buildings/Community Facilities PILOT will be given without the consent of all affected taxing jurisdictions.

H. In instances where successive PILOT's are requested by a developer, company or organization, which has previously received a PILOT, the next lower entitlement from the original PILOT entitlement shall be applicable. When there is sufficient economic impact to warrant additional consideration, a greater exemption may be made available upon recommendation of the JCIDA or request of an affected taxing jurisdiction.

III. Real Property Tax Abatement Schedules

A. Definitions:

1. Industrial/Manufacturing.

Manufacturing or production means one or both of two processes: Transforming or fundamentally changing raw materials or personal property. Combining or assembling items of personal property to create another distinct item.

These terms include construction, reconstruction, or making of property out of scrap, salvage or junk material as well as from new or used raw material or items, whether solid, liquid, or other form by processing, manipulating, refining, mixing or changing the form of an article or by joining, combining or assembling two or more articles to produce tangible personal property.

2. Warehousing/Distribution Facilities.

These facilities constitute manufacturing operations if these facilities are subordinate to, and ancillary to, direct manufacturing operations.

3. Commercial/Retail Facilities/Office Buildings/Community Facilities/Not-for-Profit Facilities.

These facilities shall mean the construction of a new building or structure, or the modernization, rehabilitation, expansion, or improvement of an existing building or structure, or the acquisition of machinery and equipment to be used for the buying, selling or otherwise providing of retail goods or services to the general public, or any facility operated on a not-for-profit basis as defined in NYS GML Section 854 (13).

B. Exemption Schedules:

1. Manufacturing/Industrial Facilities. The Manufacturing/Industrial Facility exemption schedule shall have three alternative levels of abatement applicable, dependent upon the relative economic impact of the proposed project. The greater the economic benefit, the greater the recommended abatement. The recommended entitlement shall be reflected in the economic assessment prepared by the JCIDA (Attachment 1). The JCIDA shall select the appropriate schedule based on the economic impact expected by the project.

a. The levels of abatement, in order of largest to smallest exemption, are as follows:

(1) 15 years, 50%. This PILOT for real property taxes will be for a fifteen (15) year term. The project will be seventy-five (75%) percent exempt for years one through five, fifty (50%) percent for years six through ten, and twenty-five (25%) percent exempt for years eleven through fifteen. After year fifteen, the exemption would terminate. This would result in a fifty (50%) percent total exemption during the fifteen year period. No in lieu of sales tax payments shall be made during the construction and equipping of the project, nor will any in lieu of mortgage recording tax payments be made.

(2) 15 years, 35%. This PILOT will be for a fifteen (15) year term. In year one, the project would be seventy (70%) percent exempt. The exemption would decline five (5%) percent each year for the next fourteen years. At year fifteen, the exemption would be zero (0%) percent. This would result in a thirty-five (35%) percent exemption during the fifteen year period. No in lieu of sales tax payments shall be made during the construction and equipping of the project, nor will any in lieu of mortgage recording tax payments be made.

(3) 10 years, 28%. This PILOT will be for a ten year period. In year one, the project would be fifty (50%) percent exempt. The exemption would decline by (5%) percent each year for the next nine years. After year ten, the exemption would terminate; this would result in a twenty-eight (28%) percent total exemption during the ten year period.

2. Watertown Empire Zone Projects. This PILOT is intended to put into effect the regular EZ 485-e benefit. Where a project is located within the Empire Zone, and the operator is a Zone Certified Business, the business may elect to apply to the City or Town of Watertown to utilize a PILOT that reflects the exemption schedule provided for in Section 485-e of the Real Property Tax Law. There are no fees associated with the 485-e nor does it require the consent of any taxing jurisdictions. The 485-e schedule is as follows:

Year 1	100%
Year 2	100%
Year 3	100%
Year 4	100%
Year 5	100%
Year 6	100%
Year 7	100%
Year 8	75%
Year 9	50%
Year 10	25%
Year 11	0%

3. Commercial/Retail Facilities/Office Buildings/Community Facilities/Not-for-Profit Facilities.

A. The JCIDA shall only provide such assistance to retail facilities in accordance with the restrictions contained in NYS GML Section 862 (2).

B. Commercial/Retail Facilities/Office Buildings/Community Facilities/Not-for-Profit Facilities shall have the following exemption schedule:

Year of Exemption	Amount of Exemption
1	50%
2	45%
3	40%
4	35%
5	30%
6	20%
7	10%
8 and after	0%

IV. Recapture of Benefits

A. The JCIDA shall periodically review the economic impact of each of the projects to which it holds title. This will be done sooner where it is obvious that significant deviation from the original intent of the project is realized.

B. All PILOT agreements will contain provisions that allow for the recapture of past, and cancellation of future tax abatements. In determining the extent of recapture or cancellation, the JCIDA shall consider the extent to which the company has met its proposed economic impacts.

C. The following policy concerning recapture of the abated taxes shall apply.

1. Sale or closure of the facility. The PILOT is terminated immediately, and the property deeded back to the operator.

2. Significant employment reductions. If after careful examination, this is to be a temporary situation, no action will be taken. If the situation is deemed permanent, then the abatement will be reduced by up to 100%, and/or recapture of past tax benefits can be pursued, at the discretion of the JCIDA and in consultation with the affected taxing jurisdictions.

3. Significant change in the use of the facility. If the change still is consistent with acceptable JCIDA policy and there is insignificant job loss, no action will be taken. If this change falls outside acceptable JCIDA policy, then the withdrawal of entire abatement and/or recapture of past tax benefits can be pursued at the discretion of the JCIDA and in consultation with the affected taxing jurisdictions.

V. Deviations from Policy

A. There are several factors that the JCIDA will consider in determining whether to deviate from these policies. The JCIDA will reserve discretion to deviate on a case-to-case considering all factors the JCIDA deems relevant. These deviations from the standard policy will require written notification with reason to the Chief Executive Officer of each affected taxing jurisdiction. These factors include but are not necessarily limited to the following:

B. If the project contains significant economic impact on the area such as major job retention or attraction.

C. Abatements for projects, which are extremely expensive but provide little in the way of new jobs, would be negotiated by the taxing jurisdictions and the developer with the JCIDA in attendance.

D. If the taxing entities in a particular area of the County ask the JCIDA to provide Real Estate Tax Abatements for a proposed project which would fall outside the JCIDA policy, then this request would be considered.

E. Any PILOT that represents a deviation from this policy shall require the consent of all affected taxing jurisdictions.

VII. Sales Tax Exemption

- A. This exemption will apply only to the construction/renovation and equipping period when the original project is completed and will be for the full amount of the sales tax (now 7.25%).
- B. This will be reported to the State Department of Taxation and Finance in its annual report/audit to this Agency.
- C. There will be no recapture of benefits in cases of deviation or closure of the project.
- D. Any deviations from this policy will be made on a case-to-case basis with notification and comments from the Chief Executive Officer of each affected taxing jurisdiction.

VII. Mortgage Recording Tax Exemption

- A. This exemption (currently .0075) will apply only to projects where mortgages are established under the JCIDA title and will be for initial construction, additions, or equipping.
- B. There will be no recapture of benefits in cases of deviation or closure of the project.
- C. Any deviations from this policy will be made on a case-to-case with notification and comments from the Chief Executive Officer of each affected taxing jurisdiction.

JAN 22 2010

Application to

**Jefferson County Industrial
Development Agency (JCIDA)**

For

Tax Exempt Bond Financing

and/or

Sale Leaseback Transaction

And

Fee Schedule

Please contact the agency for more information
regarding project eligibility and application process.

Jefferson County Industrial Development Agency (JCIDA)

800 Starbuck Avenue, Suite 800

Watertown, New York 13601

www.jcida.net

Taxable and Tax Exempt Industrial Development Revenue Bonds

- Application Fee:** A non-refundable fee of \$2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.
- Fee:** 2% of the principal amount of the bond series.
- Point of Contact:** Donald Alexander, 315-782-5865

Tax Exempt Civic Facility Bonds

- Application Fee:** A non-refundable fee of \$2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.
- Fee:** First \$10 million - 2% of the bond series.
Over \$10 million- .5% of the bond series.
- Point of Contact:** Donald Alexander, 315-782-5865

Sale Leaseback Transactions

- Application Fee:** A non-refundable fee of \$2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.
- Fee:** With a PILOT:
First \$10 million – 2%
Second \$10-\$20 million - .5%
Anything greater than \$20 million - .25%
- No PILOT – 25% of the abatement value (based on savings from mortgage tax and sales tax).
- Point of Contact:** Donald Alexander, 315-782-5865

INSTRUCTIONS

1. The Agency will not approve any applications unless, in the judgment of the Agency, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer, which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project. The applicant will also be expected to pay all costs incurred by general counsel and bond counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of \$2,500 to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany each application. THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.
10. The Agency has established a project fee for each project in which the Agency participates. UNLESS THE AGENCY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AGENCY.

This application should be submitted to the Jefferson County Industrial Development Agency, 800 Starbuck Avenue, Suite 800, Watertown, New York 13601 (Attn: Chief Executive Officer).

<u>STAFF USE ONLY</u>		
		Staff Initials
1.	OSC Project Number Assigned	2010 0101 LVE
2.	Retail Determination (Y/N) Retail Exception used:	, 20
	<i>TOURISM RELATED</i>	
3.	Date Application Assigned to Agency Counsel	, 20
4.	UTEF Deviation (Y/N)	<i>N</i> , 20
5.	IRB - Volume Cap Needed (Y/N)	<i>N</i> , 20
6.	IRB/501c3 - TEFRA Required (Y/N)	<i>N/A</i> , 20
7.	Date of Agency adoption of Initial Resolution	, 20
8.	Date set for Public Hearing	, 20
9.	Public Hearing Notice - Publication Date/ATJ Mailings	, 20
10.	Date of Agency adoption of Inducement Resolution	, 20
11.	Date of Agency adoption of Closing Resolution	, 20
12.	Date of final approval of application	, 20

JAN 22 2010

Jefferson County Industrial Development Agency (J.C.I.D.A) Application for Tax Exempt Bond Financing and/or Sale Leaseback Transactions

I. APPLICANT INFORMATION

Company Name: Millennium Development, LLC

Address: 23590 Iroquois Island Shore Road, P O Box 669
Alexandria Bay, NY 13607

Phone No.: 315-436-6567

Fax No.: 315-482-1025

Federal Tax ID: 16-1568976

Contact Person: Patrick Donegan

E-Mail: p.donegan@verizon.net

Date: 1/20/10

a. Form of Entity:

Corporation

Partnership (General or Limited ; Number of General Partners and, if applicable, Number of Limited Partners . List Partners in section below.

Limited Liability Company, Number of Members 1

Sole Proprietorship

b. Principal Owners/Officers/Directors: (List owners with 5% or more in equity holdings with percentage of ownership)

Name	Address	Percentage Ownership/Office
Patrick Donegan	P O Box 802, Alexandria Bay, NY 13607	100%

(Use attachments if necessary)

c. If a corporation, partnership, limited liability company: organizational documents attached

What is the date of establishment? 4/14/99 Place of organization New York

If a foreign organization, is the Applicant authorized to do business in the State of New York? N/A

(Attach organizational chart or other description if applicant is a subsidiary or otherwise affiliated with another entity)

d. Attach certified financial statements for the company's last three complete fiscal years. If the company is publicly held, attach the latest Form 10K as well.

II. APPLICANT'S COUNSEL

Name/Firm: Menter Rudin & Trivelpiece, PC., Joseph W. Russell, Esq.
Address: 120 Washington Street, Suite 500
Watertown, NY 13601
Phone No.: 315-786-7950
Fax No.: 315-786-7852
E-Mail: jrussell@menterlaw.com

III. PROJECT INFORMATION:

a. Please provide a brief narrative description of the Project (attach additional sheets or documentation as necessary).

Construction of a 132 room hotel and banquet facility (4,000+ sq. ft.) on 3+ acres located off Arsenal Street in the
City of Watertown. Building will be four stories with attached meeting facilities, restaurant, pool, jacuzzi,
exercise/gym facility, outdoor park/meeting/banquet facility. Conceptual plans attached

b. Location of Project

Project Address: 1290 Arsenal Street
Town/Village of: City of Watertown
Name of School District: Watertown City School District
Tax Map No.: part of parcel # 8-0053-106.100

c. Are Utilities on Site? Water: yes* Electric: yes* Gas: yes* Sanitary/Storm Sewer: no** Telecom: _____

d. Present legal owner of the site if other than Applicant and by what means will the site be acquired for this Project:
Vision Development, Inc. Applicant has option to acquire upon satisfaction of all contingencies.

e. Zoning of Project Site:

Current: P.D.D. Proposed: P.D.D.

f. Are any zoning approvals needed? Identify: N/A

g. Local Permitting and Approvals – Does the project require local planning or permitting approvals? If so, please explain. subdivision Will a site plan application need to be filed? yes If so, please include copy if prepared.

h. Has another entity been designated lead agent under the State Environmental Quality Review Act ("SEQRA")? no; If yes, please explain:
N/A

* available from adjacent site to be brought to site as part of project
** sewer not yet available, but Agreement with City to jointly bring sewer to site is pending

i. Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? no; If yes, please explain:
new development

j. Will the Project result in the abandonment of one or more plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? no; If yes, explain:
new development

k. If the answer to either question i. or j. is yes, indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes _____; No _____. If yes, please provide detail:
N/A

2. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes _____; No _____. If yes, please provide detail: N/A

l. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? yes; If yes, please explain:

hotel accommodations and restaurant facilities

m. If the answer to l. is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 100 %

n. If more than 33.33%, indicate whether any of the following apply to the Project:

1. Will the Project be operated by a not-for-profit corporation? Yes ___; No X. If yes, please explain:

2. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes X; No _____. If yes, please explain:

Conference Center will draw group events, weddings and other similar functions

3. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the Project and related jobs outside of New York State? Yes _____; No X. If yes, please explain:

4. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the City, Town or Village within which the Project will be located because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes X; No _____. If yes, please explain:

No first class conference facilities are available in the County

5. Will the Project be located in one of the following: (i) an area designated as an Empire Zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block number area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes _____; No X. If yes, please explain:

o. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes ____; No X. If yes, please complete the following for EACH existing or proposed tenant or subtenant:

Sub lessee name: _____

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sub lessee is a: _____ (Corporation, LLC, Partnership, Sole Proprietorship)

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sub lessee: _____

Date and Term of lease or sublease to Sub lessee: _____

Will any portion of the space leased by this sub lessee be primarily used in making retail sales of goods or services to customers who personally visit the Project? Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions I. 1-5 with respect to such sub lessee.

p. Project Costs (Estimates):

Category	Amount
Land-acquisition	\$ 650,000.00
Buildings-Construction/Renovation	\$6,900,000.00
Utilities, roads and appurtenant costs	\$1,150,000.00
Machinery and Equipment	\$1,250,000.00
Soft Costs (Architect and Engineering Fees)	\$ 425,000.00
Costs of Bond issue	
Construction Loan Fees and interest	\$ 300,000.00
Other (specify)	
Total Project Costs	\$10,675,000.00

q. Job Creation:

Construction jobs created by the Project: 80 - 100 Anticipated Dates of Construction: 4/20/10 - 3/20/11

Permanent jobs created by the Project

- Column A:** Insert the job titles that exist within the company at the time of application, as well as any job titles that will be established as a result of the Project.
- Column B:** Indicate the entry level wage for each listed job title either in terms of hourly pay or annual salary.
- Column C:** For each listed job title insert the number of positions that exist at the time of application.
- Column D:** Insert the number of jobs to be created during year one of the Project for each listed job title.
- Column E:** Insert the number of jobs to be created during year two of the Project for each listed job title.
- Column F:** Insert the number of jobs to be created during year three of the Project for each listed job title.
- Column G:** Indicate the total number of jobs to be created for each listed title as a result of the Project. (Column D + Column E + Column F = Column G)

r. For Industrial Revenue Bonds .JLY, including this project, list capital expenditures of the company at Project location:

Category	Last Three Years	Next Three Years
Land		
Building		
Equipment		
Soft Costs		
Other		
Total		

s. List any other positive impacts that the Project may have on Jefferson County:

The Project will lead to the development of the additional 27+ adjacent acres of vacant commercial land which could result in the creation of an additional 450-500 jobs and additional construction in the range of \$13,000,000.00 to \$18,000,000.00. The Project will result in a significant increase in City and County revenues from bed tax, sales tax and real property taxes.

V. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. **Job Listings:** In accordance with Section 858-b (2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. **First Consideration for Employment:** In accordance with Section 858-b (2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. **Annual Sales Tax Filings:** In accordance with Section 874 (8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874 (8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.
- D. **Annual Employment Reports:** The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- E. **Absence of Conflicts of Interest:** The applicant has received from the Agency a list of the members, officers, employees and Counsel of the Agency. No member, officer, employee, or Counsel of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

**HOLD HARMLESS AGREEMENT and APPLICATION DISCLAIMER AND CERTIFICATION
PURSUANT TO NEW YORK STATE FREEDOM OF INFORMATION LAW ("FOIL")**

Applicant hereby releases the Jefferson County Industrial Development Agency and the members, officers, servants, agents and employees thereof (the 'Agency') from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemption and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suites or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

Through submission of this Application for Financial Assistance (this "Application"), the Company acknowledges that the Agency, as a public benefit corporation, is subject to the New York State Freedom of Information Law ("FOIL") and Open Meetings Law ("OML"), as codified pursuant to the Public Officers Law ("POL") of the State of New York (the "State"). Accordingly, unless portions hereof are otherwise protected in accordance with this Certification, this Application, including all Company-specific information contained herein, is subject to public disclosure in accordance with applicable provisions of the POL, Article 18-A of the General Municipal Law ("GML") and the Public Authorities Accountability Act of 2005, as codified within the Public Authorities Law ("PAL") of the State. Specifically, this Application may be disclosed by the Agency to any member of the public pursuant to a properly submitted request under FOIL and the Agency is further required to affirmatively disclose certain provisions contained herein pursuant to the GML and PAL, including the identification of the Company, general project description, location proposed capital investment and job estimates.

Notwithstanding the foregoing, the Company, pursuant to this Certification, may formally request that the Agency consider certain information contained within this Application and other applicable supporting materials proprietary information and "trade secrets", as defined within POL Section 87(2)(d). To the extent that any such information should qualify as trade secrets, the Company hereby requests that the Agency redact same in the event that formal disclosure is requested by any party pursuant to FOIL. Application Sections or information requested by Company for Redaction*:

(* - Please indicate specific sections within Application that the Company seeks to qualify as "trade secrets". Additional correspondence or supporting information may be attached hereto. Please also note that notwithstanding the Company's request, the Agency shall make an independent determination of the extent to which any information contained herein may be considered as such)

In the event that the Agency is served with or receives any subpoena, request for production, discovery request, or information request in any forum that calls for the disclosure of the Application, in entirety, specifically including but not limited to any demand or request for production or review of Company-designated trade secrets, the Agency agrees to notify the Company as promptly as is reasonably possible, and to utilize its best efforts to: oppose or decline any such request; preserve the confidentiality and non-disclosure of such requested confidential material; and maintain such information and prevent inadvertent disclosure in responding to any such discovery or information request. The Company understands and agrees that all reasonable costs, including attorney's fees, associated with any such formal undertaking by the Agency to protect the trade secrets from disclosure shall be reimbursed by the Company to the Agency.

By executing and submitting this Application, the applicant covenants and agrees to pay the following fees to the Agency, the same to be paid at the times indicated:

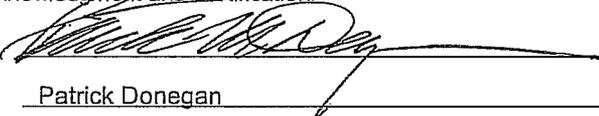
- (a) The sum of \$2,500 as a non-refundable processing fee, plus the sum of \$500 if Agency assistance in retaining professionals is requested, to be paid upon submission of the Application;
- (b) An amount equal to ___% of the total project costs for projects with bond financing, and an amount equal to ___% of the total project costs for all other projects for which the Agency provides financial assistance, to be paid at transaction closing;
- (c) An amount equal to \$_____ payable to the Agency's bond/transaction counsel for the preparation and review of the inducement resolution, the environmental compliance resolution, TEFRA hearing proceedings and the tax questionnaire assuming no further activity occurs after the completion of the inducement proceedings, to be paid within ten (10) business days of the receipt of bond/transaction counsel's invoice;
- (d) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore please note that the applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel;
- (e) The cost incurred by the Agency and paid by the applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a cost of the project and included in the financing of costs of the proposed project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.

The applicant further covenants and agrees that the applicant is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in handling the application and pursuing the proposed project notwithstanding the occurrence of any of the following:

- (a) The applicant's withdrawal, abandonment, cancellation or failure to pursue the Application;
- (b) The inability of the Agency or the applicant to procure the services of one or more financial institutions to provide financing for the proposed project;
- (c) The applicant's failure, for whatever reason, to undertake and/or successfully complete the proposed project; or
- (d) The Agency's failure, for whatever reason, to issue tax-exempt revenue bonds in lieu of conventional financing.

The applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Company Acknowledgment and Certification:

By: 
Name: Patrick Donegan
Title: Member/Manager

Sworn to before me this
21st day of January, 2010.



Notary Public
SHARON K. POPE
NOTARY PUBLIC - STATE OF NEW YORK
NO. 01-PO6195055
QUALIFIED IN JEFFERSON COUNTY
COMMISSION EXPIRES OCT. 20, 2012

Jefferson County Industrial Development Agency Project Summary and Financial Assistance Cost Benefit Analysis

(This page to be completed by JCIDA Staff)

Company Name: MILLENNIUM DEVELOPMENT, LLC
 Project Description: 23590 INDIAN ISLAND SHORE ROAD
P.O. Box 669 ALEXANDRIA BAY, NY 13607
 Project Location: 1290 ARSENAL ST. WATERTOWN, NY 13607
 Town/Village: _____
 School District: WATERTOWN CITY SCHOOLS DISTRICT

Estimated Cost of Industrial Development Agency Financial Assistance

1. Sales and Use Tax Exemption

A. Amount of Project Cost Subject to Sales and Use Tax:	\$ 4,470,000
Sales and Use Tax Rate:	7.75 %
B. Estimated Exemption (A X .0775):	\$ 346,425

2. Mortgage Recording Tax Exemption

A. Projected Amount of Mortgage:	\$ 6,750,000
Mortgage Recording Tax Rate:	3/4 of 1%
B. Estimated Exemption (A X .0075):	\$ 50,625

3. Real Property Tax Exemption

A. Projected Increase in Assessed Value on Project:	\$ N/A
B. Total Applicable Tax Rates Per \$1000:	\$
C. Total Annual Taxes without PILOT (A X B)/1,000:	\$
D. PILOT Exemption Rate (see JCIDA Uniform Tax Exemption Policy):	%
E. Average Annual PILOT Payment (C X D):	\$
F. Net Exemption over PILOT term ((C-E) x 7, 10 or 15):	\$

4. Interest Exemption (Bond transactions only)

A. Estimated Interest Expense Assuming Taxable Interest:	\$
B. Estimated Interest Expense with tax-exempt Interest Rate:	\$
C. Interest Exemption (a - b):	\$

Estimated Benefits of Industrial Development Agency Financial Assistance

- | | |
|--|---------------|
| 1. Jobs to be retained in Jefferson County | 0 |
| 2. Current Company payroll in Jefferson County | \$ 0 |
| 3. Project Jobs to be Created over 3 years | 53 |
| 4. Total Project Investment | \$ 10,675,000 |
| 5. Non IDA financing leveraged | \$ 10,675,000 |
| 6. Other project benefits: | |

BENEFITS TOURISM, CREATES 53 NEW JOBS.
ESTIMATED ANNUAL PAYROLL \$1,269,860.

Applicant Signature: _____ Date: _____

State of New York }
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

APR 15 1999



A handwritten signature in cursive script, appearing to read "J. Leube", followed by a horizontal line.

Special Deputy Secretary of State

F990414000423

ARTICLES OF ORGANIZATION
OF
MILLENNIUM DEVELOPMENT, LLC

Under Section 203 of the Limited Liability Company Law

Filer:
PATRICK M. DONEGAN
P.O. BOX 802
ALEXANDRIA BAY, NY 13607

E-12

E-12

DRAWDOWN

ML

1cc
STATE OF NEW YORK
DEPARTMENT OF STATE
FILED APR 14 1999
TAX \$ _____
BY: m

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F-990414000423

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E-12

ARTICLES OF ORGANIZATION

OF

MILLENNIUM DEVELOPMENT, LLC

Under Section 203 of the Limited Liability Company Law

1. The name of the limited liability company is **MILLENNIUM DEVELOPMENT, LLC**

2. The county in which the limited liability company will be located is the County of Jefferson, State of New York.

3. The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the limited liability company served upon him is:

c/o The LLC
17 Holland Street
Alexandria Bay, NY 13607

4. The limited liability company is to be managed by 1 or more members.

5. The latest date on which the limited liability company shall dissolve is April 13, 2049.

IN WITNESS WHEREOF, this certificate has been subscribed this 14th day of April, 1999, by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

s/ Patrick M. Donegan
Patrick M. Donegan - Organizer

1

**OPERATING AGREEMENT
OF
MILLENNIUM DEVELOPMENT, LLC**

The undersigned, being the sole members of Millennium Development, LLC (herein the "LLC") a limited liability company formed under section 203 of the Limited Liability Company Law of the State of New York on April 14, 1999, hereby adopts the following Operating Agreement pursuant to section 417 of the Limited Liability company Law:

FIRST: The business of the LLC is to acquire, own, rent, manage and a operate commercial properties and other similar income properties;

SECOND: The business affairs of the LLC will be conducted by the undersigned member;

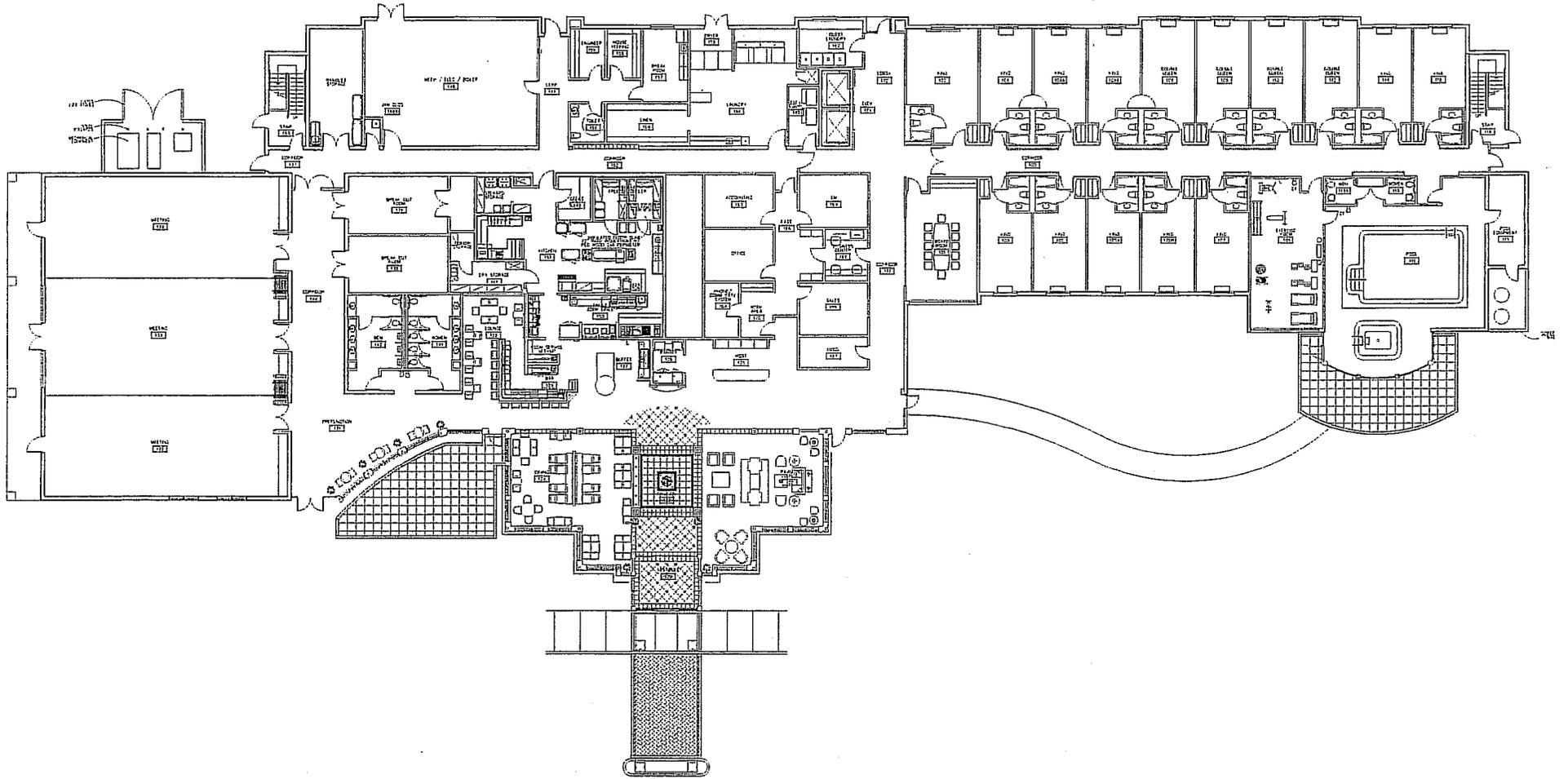
THIRD: The undersigned member has all the rights, powers, duties, and responsibilities necessary and desirable to conduct the business of the LLC, including authority to execute on behalf of and in the name of the LLC, any and all contracts, agreements, promissory notes, mortgages, deeds, bills of sale, liens, security agreements, assignments, and all other documents evidencing indebtedness and granting security interest as requested by lenders to secure the loan to the LLC;

FOURTH: This operating Agreement is effective as of April 14, 1999, the date of filing of the LLC's Articles of Organization with the New York Department of State.

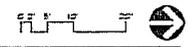
Dated:

By: 

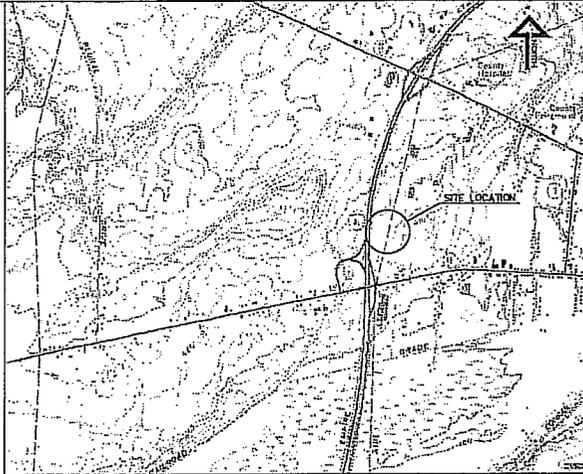
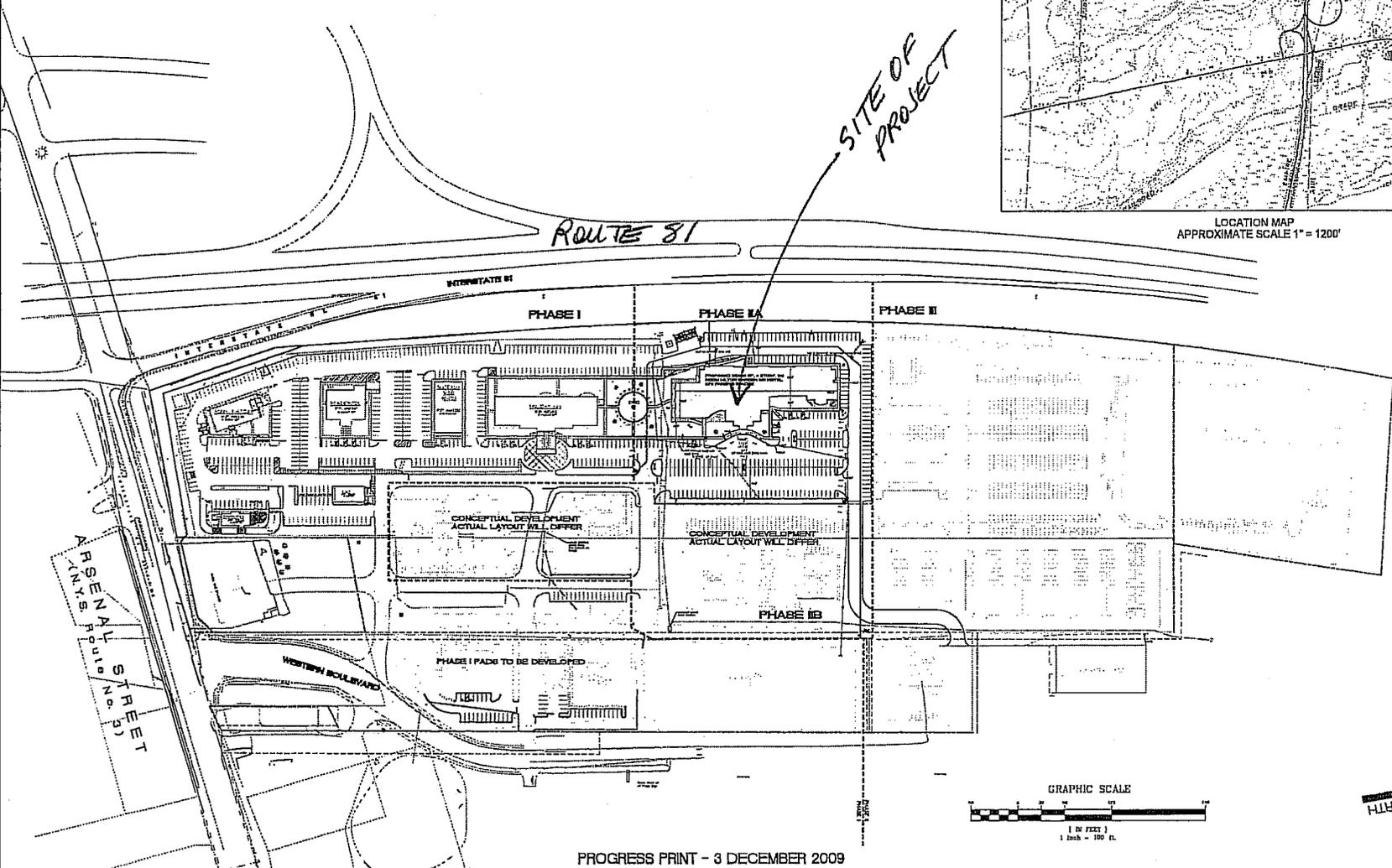
Patrick M. Donegan, sole member



1 FIRST FLOOR PLAN
3/32" = 1'-0"



LEGEND	EXISTING	PROPOSED
PROPERTY LINE	---	---
EDGE OF PAVEMENT	---	---
CURBED ROAD	---	---
BUILDING	---	---
SEWER LINE	---	---
FENCE WALL	---	---
STORM LINE	---	---
WATER LINE	---	---
PUMP STATION	⊙	⊙
SEWER MANHOLE	⊙	⊙
LIGHT POLE	⊙	⊙



LOCATION MAP
APPROXIMATE SCALE 1" = 1200'

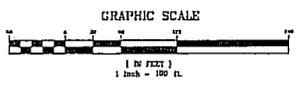
ARCHITECTURE,
ENGINEERING
& LAND SURVEYING
P.C.

330 STEUBEN AVENUE
WATERTOWN, NEW YORK 13155
TEL: 315 785-0000
WWW.GYMO.COM

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& LAND SURVEYING, P.C.
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MECHANICAL, INCLUDING
PHOTOCOPYING, RECORDING,
OR BY ANY INFORMATION
SYSTEM, WITHOUT PERMISSION
IN WRITING FROM GYMO.

OVERALL SITE DEVELOPMENT PLAN
WATERTOWN CITY CENTER
WATERTOWN, NEW YORK
JEFFERSON COUNTY

Project No.	2009-2112
Scale:	AS SHOWN
Date:	11/2/09
Drawn By:	REC
Designed By:	REC
Checked By:	
Date Issued:	11/2/09
Drawn By:	



PROGRESS PRINT - 3 DECEMBER 2009

C100

WATERTOWN CITY CENTER PROJECT

Project Description and Plan.

Develop over 42 acres of property strategically located at the intersection of Interstate Route 81 and Arsenal St (NYS Route 3) with a mixture of retail, restaurant, banking and hospitality creating a tourist and community destination which will serve and promote the 1,000 Islands/ St Lawrence River and Adirondack Park which are two of New York's most precious and premier tourist destinations.

The project will be developed in two phases, with phase 1 being the initial demand and momentum generator due to the lack of existing infrastructure and new development in this area of the City of Watertown. The project had no infrastructure, so phase 1 was the initial phase of infrastructure installation and involved the creation of a base drainage system, water system, sewer system, gas and electrical in partnership with National Grid, and creation of transportation network in the form of roads and accompanying lighting at a cost which exceeded 2.25 million and included a bus stop for the City bus to safely pick up and drop off passengers traveling to and from the downtown area. Additionally, phase 1 involved the construction of an initial group of businesses to create a new area of development and cause positive momentum for other businesses to be convinced to locate in phase 2. Phase 1 involved approximately 15 acres of the 42 total acres comprising this project. Phase 1 business and job creation consisted of the construction of a new 115 Room Holiday Inn Express as the first business to commit to the project and this convinced additional service based businesses to locate within this project and resulted in the addition of four food based enterprises: Ruby Tuesday, Ponderosa, Buffalo Wild Wings and Starbucks with each chosen to represent different segments of the food industry and then AT&T which provided the project with a communications component. In total this created over 240 new jobs, over 18 million in investments, \$500,000 in bed tax since 2006, \$4,000,000 in sales taxes since 2006, over \$500,000 in property taxes since 2006 and started a project which has the potential to more than double the aforementioned benefits once phase 2 is completed. The success of phase 1 also validates the viability of this project and proves that the promises made concerning this project are real.

Phase 2 will involve continuation of infrastructure into the remaining 27 acres to allow for additional businesses to be created and located at this project. Additional infrastructure needed will include, but is not limited to, over 1200' of sewer with supporting pump station(s), over 1500' of water lines, 700' of gas lines, additional drainage facilities, roads and accompanying lighting, electrical lines et al at a cost of over 1 million dollars. Initially in phase 2 a 132 room Hilton Garden Inn and Conference Center would be constructed and would bring a much needed state of the art meeting and conference center to the region. The Hilton Garden Inn and Conference Center will bring in an additional 50 new permanent jobs with a annual payroll of over 1 million per year estimated, over 100 construction jobs, over 11 million invested, \$180,000 or more in yearly bed taxes, over \$400,000 in additional sales taxes, over \$100,000 in property taxes, and this project will result in additional businesses being brought into the project to support this entity such as a credit union which has expressed interest in being part of this project and other businesses which are looking to be located in this project pending construction of

additional infrastructure and the Hilton facility. We are hoping to start construction on the Hilton Garden Inn and Conference Center and the additional infrastructure this spring and complete the project before summer 2011 in order to be ready to handle and support the 2011 tourist season.

This facility is important to the region in that in addition to creating jobs and additional tax revenues, it will help bring large groups into the region from outside the area that would not consider coming to this region if a first class facility of this type is not available to serve their group needs. The facility will be able to serve large group functions in excess of 350 people in a new state of the art conference facility and will be equipped with modern communications and audio visual equipment not currently available in other facilities in the area. In working with Hilton World Wide on this project we have determined that this Hilton Garden Inn and Conference Center will be designed using their new prototype design criteria making this the newest Hilton Garden Inn in the entire Hilton organization, and it will be located in this region, and this aspect will help in our efforts to draw groups to this area. These new groups will bring much needed new revenue to this area, result in additional bed and sales taxes for the community and the State, and result in additional revenues for the local businesses and tourist based economy which will help create new jobs in those businesses and help keep existing jobs at those businesses which would otherwise be lost without the additional infusion of people to the area.

The considerable infrastructure costs associated with this project are creating a hurdle for this project, and a public private partnership of some form would help successfully overcome this hurdle and ensure this project proceeds forward and provides this area with years of jobs, taxes and support for the local economy. Additionally, this facility is going to require a few years to develop a new client base which will allow for potential future expansion of the facility and creation of additional jobs. The critical issues that need to be addressed to ensure the success of this project are infrastructure and support for the Hilton Garden Inn and Conference Center. If these two issues are successfully addressed then the phase 2 portion of the project will be very successful, and will create many new jobs in the local economy, help keep existing jobs in the local economy and result in many new investments being made in this project and region resulting in substantial additional revenues for the local and state economy.

	MEMORANDUM	E.P. Hayes Superintendent
	Dept. Public Works	Date: 02-05-10 Ref: PW 003-10
To:	Mary Corriveau, City Manager	
Subject:	Winter Operations Summary Comparison Report	

The chart below summarizes our winter operation activities to date:

WINTER SEASON	2008-2009	2009-2010
Snow to Date	165 inches	67 inches
Number of Storm Events	19	10
SALT & DEICING MATERIALS		
Contracting Organization	Jefferson Co	NYS OGS
Salt Supplier	Am Rock Salt	Am Rock Salt
Unit Cost (\$/Ton)	\$129.68	\$59.49
Budgeted Materials Line Item	\$150,000	\$225,000
Total Contract Request	3,600 tons	2,750 tons
Minimum Purchase Obligation	2,160 tons	1,925 tons
Total Salt Purchased to Date	1,916 tons	1,926 tons
Standard Road/Rock Salt	1,500 tons	1,926 tons
Treated Salt	416 tons	0 tons
Outstanding Contract Obligation	660 tons	0 tons
Total Salt Cost to Date	\$271,269	\$115,072
Available Remaining Funds	(\$121,269)	\$109,928
Contracted Snow Hauling		
Budgeted	\$12,000	\$30,000
Cost Per Date	\$40,820	\$7,600
Available Remaining Funds	(\$28,820)	\$22,400

To date, while we have experienced only half of the number of significant storm events and 100 inches less total snow accumulation than last year we have in fact used the same amount of salt. Most importantly we have met our minimum contractual salt purchase obligation, the price of salt is less than half what it was last year, and we have not had to haul as much snow resulting in an account balance over these two line items of \$132,328 this year as compared to an account deficit of \$150,089 last year.

To answer the question of why we have used as much salt as we have, it is because of the number and frequency of minor/nuisance events (< 2 inches) experienced. As I commented before, it requires the same amount of deicers to address a 1 or 2 inch snowfall as it does a 10 inch snowfall.

The days are getting longer, the immediate weather forecast looks promising but without knowing what the next 6 weeks will bring the only thing that we can conclude is that we are in better shape today as compared to where we were last year.

As always we will continue to constantly monitor and critique our winter operations to ensure optimal road safety balanced with fiscal awareness.

Gene

cc: Peter Monaco, Superintendent of Public Works
Rick Harra, Street Maintenance Supervisor
Pat Keenan, Street Maintenance Supervisor
John VanBrocklin, Building & Grounds Maintenance Supervisor
Josh Carlsson, Senior Engineering Technician-DPW
DPW files:
 Winter Operations Summary Report 2009-2010



CITY OF WATERTOWN, NEW YORK

ROOM 205, MUNICIPAL BUILDING
245 WASHINGTON STREET
WATERTOWN, NEW YORK 13601
Tel. (315) 785-7749 • Fax (315) 782-9014

ROBERT J. CLEAVER
PURCHASING AGENT

February 5, 2010

To : Mary Corriveau
From: Robert J. Cleaver
Subject: Auctions International

Auctions International, 808 Borden Road, Buffalo, N.Y. , auctioned on behalf of the City of Watertown our 1994 Ford L8000 Sewer Vacuum Truck as well as our 1963 vintage Kohler Natural Gas Generator on their website. These items were listed for 10 days closing at 6p.m e.d.t. on Saturday, January 23, 2010. This auction resulted in the sale of the two items to the following bidders:

- | | | | |
|----|--|-----------------------|-------------|
| 1) | Adirondack Construction Enterprises, LLC
6578 State Route 8
Brant Lake, N.Y. 12815 | Sewer Vac | \$29,100.00 |
| 2) | Kiernan Contractors, Inc.
6058 Depot Street
Glenfield, NY 13343 | Natural Gas Generator | \$ 888.00 |

The minimum bid that we had set for acceptance was \$25,000.00 for the Sewer Vac and \$500.00 for the generator.