



Board Resolution No. 2022-06-52

June 23, 2022

APPROVING AUDITED FINANCIAL STATEMENTS, SINGLE AUDIT, AGREED UPON PROCEDURES, AND REPORT ON INVESTMENTS FOR FISCAL YEAR ENDING MARCH 31, 2022

Whereas, the Development Authority of the North Country appointed the accounting firm of Bonadio and Company, LLP, CPA, to audit its financial statements, complete a Single Audit, perform Agreed Upon Procedures related to the Regional Water Line and Report on Compliance with Laws Related to Investment Guidelines of the Authority as of and for the year ended March 31, 2022, and

Whereas, Bonadio and Company, LLP, CPA, has completed all necessary procedures in compliance with Generally Accepted Auditing Standards and have issued an unmodified opinion on the financial statements, and

Whereas, Bonadio and Company, LLP, CPA, has completed all necessary procedures in compliance with; 1) auditing standards generally accepted in the United States of America, 2) Government Auditing Standards, and 3) Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and have issued an unmodified opinion on the Single Audit, and

Whereas, Bonadio and Company, LLP, CPA, has conducted the Agreed-Upon Procedures engagement on the Authority's Regional Water Line in accordance with attestation standards established by the American Institute of Certified Public Accountants, and reported no exceptions, and

Whereas, Bonadio and Company, LLP, CPA, has prepared an Independent Auditor's Report on Compliance with Laws and Regulations Related to Investment Guidelines for Public Authorities, and reported that with respect to the items tested, the Authority complied in all material respect with its investment policy as well as the applicable State Comptroller's Investment Guidelines for Public Authorities, and

Whereas, the Audit Committee of the Authority Board has reviewed the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments as of and for the year ending March 31, 2022 and recommends acceptance to the Board.

Now, upon the recommendation of the Audit Committee, therefore, be it

RESOLVED, that the Development Authority of the North Country does hereby accept the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments, as of and for the year ended March 31, 2022.

Motion by: A. MacKinnon
Seconded by: D. Mastascusa

Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-52 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.



Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-06-53
June 23, 2022

**APPROVING THE ASSESSMENT OF THE EFFECTIVENESS
OF INTERNAL CONTROLS OF THE DEVELOPMENT AUTHORITY OF
THE NORTH COUNTRY FOR FISCAL YEAR 2022**

Whereas, pursuant to Section 2800(9) of New York State Public Authorities Law, the Development Authority of the North Country shall prepare an Assessment of the Effectiveness of its Internal Controls structure and procedures, and

Whereas, Executive Management has prepared the attached Assessment of the Effectiveness of Internal Controls for Fiscal Year 2022 and recommends approval of such Assessment, and

Whereas, the Audit Committee has reviewed Executive Management's recommendation and concurs with the recommendation.

Now, upon the recommendation of the Audit Committee, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby approve the attached Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country, for the fiscal year 2022.

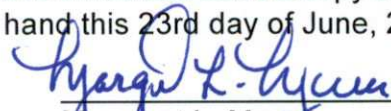
Motion by: M. Hall

Seconded by: A. MacKinnon

Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-53 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.



Margaret L. Murray
Board Chairperson

Assessment of the Effectiveness of Internal Controls – FY 2022

It is the policy of the Authority to prepare its financial statements in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board for proprietary funds. We accomplish this by adhering to the Development Authority's Accounting Manual which documents and outlines a system of internal controls which is developed to reduce fraud and abuse and to produce financial statements on a consistent basis.

The Development Authority of the North Country has developed an Accounting Manual which documents the principles, policies and procedures governing the Authority's accounting practices.

The principles, policies and procedures provide:

- A foundation for a system of internal controls
- Guidance in current financial activities
- Criteria for decisions on appropriate accounting treatment.
- Accounting staff with direction and guidance in connection with those accounting transactions, procedures, and reports that should be uniform throughout the Authority.

When consistently applied throughout the Authority, these principles and policies assure that the various financial statements issued by the Authority accurately reflect the results of the Authority's operations.

Internal controls provide a system of checks and balances intended to identify irregularities, prevent waste, fraud and abuse from occurring, and assist in resolving discrepancies that are accidentally introduced into the operations of the business. Examples of internal controls implemented at the Development Authority are as follows:

- Dual signatures are required for disbursements in excess of \$15,000
- Requisitions and purchase orders must be authorized prior to encumbering Development Authority funds. Invoices received must be authorized prior to payment.
- Employee reimbursements are appropriately documented, approved by the employee's supervisor and audited by Compliance staff prior to payment.
- Bank accounts are reconciled monthly and are reviewed and approved by the Comptroller.
- Accounting functions are divided among employees so that the work of one employee complements and acts as a check on the work of another.

The system of internal controls of the Development Authority are monitored on a continual basis by the Chief Financial Officer and audited by Compliance staff who report the results of such audits to the Executive Director.

On an annual basis, the financial statements of the Development Authority are audited by an independent CPA firm. While the auditors were not engaged to perform an audit of internal controls, the auditors did not identify any deficiencies in internal control that they considered to be a control deficiency, significant deficiency, or material weaknesses during the audit for the fiscal year ended March 31, 2022.

In summary, the present internal control structure of the Development Authority is sufficient to meet the internal control objectives that pertain to the prevention and detection of fraud, errors and irregularities in the financial reporting of the Development Authority.



Board Resolution No. 2022-06-54
June 23, 2022

**APPROVING ANNUAL BOND SALES REPORT
FOR FISCAL YEAR ENDING MARCH 31, 2022**

Whereas, the Development Authority of the North Country operates according to Board policies and administrative guidelines as may be amended from time to time, and

Whereas, the Authority's Bond Sale Policy requires that the Authority shall annually prepare and approve a Bond Sales Report. The Bond Sales Report shall include the results of any Bond Sales during the year, to include Underwriter's Compensation, Net Interest Cost, and the Method of Sale.

Whereas, Executive Management has reviewed and recommends approval of the Annual Bond Sales Report for the fiscal year ending March 31, 2022, as attached, and

Whereas, the Audit Committee has reviewed Executive Management's recommendation and concurs with the recommendation.

Now, upon the recommendation of the Audit Committee, therefore be it

RESOLVED, that the Development Authority of the North Country hereby approves the Annual Bond Sales Report for the fiscal year ending March 31, 2022, attached hereto and incorporated in this Resolution.

Motion by: D. Mastascusa

Seconded by: A. MacKinnon

Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-54 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.

Margaret L. Murray
Board Chairperson

Development Authority of the North Country
 Annual Bond Sales Report
 Fiscal Year Ended March 31, 2022

Issuances

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Amount</u>	<u>Net Interest Cost</u>	<u>True Interest Cost</u>	<u>Underwriter Compensation</u>	<u>Method of Sale</u>	<u>Maturity</u>
No Debt Issued	NA	NA	NA	NA	NA	NA	NA

Outstanding Bonds as of March 31, 2022

<u>Bond Issue</u>	<u>Balance @ 3/31/22</u>	<u>Maturity</u>
Series 2019 SWMF Revenue Bonds	\$ 10,230,000	2044
Series 2015 SWMF Revenue Bonds	\$ 7,005,000	2040



Board Resolution No. 2022-06-55
June 23, 2022

MATERIALS MANAGEMENT DIVISION
FY2022-2023 CAPITAL BUDGET AMENDMENT
MAIN PUMP STATION UPGRADE PROJECT

Whereas, the Development Authority of the North Country adopted a Fiscal Year 2017-2018 Materials Management Division Budget pursuant to **Resolution No. 2017-03-17**, and

Whereas, the Resolution authorized a \$500,000 capital project for upgrades to the Materials Management Facility Main Pump Station, and

Whereas, as a result of a competitive procurement process the Authority retained Barton & Loguidice to provide professional engineering services for such project for a total cost of \$67,700, and

Whereas, project construction was bid in accordance with Authority procurement policies and a total of six (6) bids were received for three associated contracts, and

Whereas, the sum of the lowest responsive and responsible bid for each contract resulted in a total project bid of \$478,362, increasing the total project costs to \$595,000, and

Whereas, our consulting engineer, Barton & Loguidice, and internal engineering staff have reviewed bid results and attribute the increased project costs to the COVID-19 pandemic, which has resulted in increases in equipment and material costs, and a shortage of contractors to meet increased demand.

Now, therefore be it

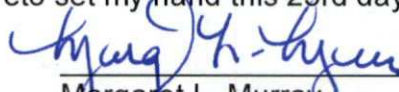
RESOLVED, that the Development Authority of the North Country herewith authorizes the Chief Financial Officer to increase the budget for Capital Project 20156 (MMF Main Pump Station Upgrades) from \$500,000 to \$595,000.

Motion by: A. MacKinnon
Seconded by: M. Hall

Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-55 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.



Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-06-56
June 23, 2022

**MATERIALS MANAGEMENT FACILITY
MONITORING WELL DECOMMISSIONING PROJECT
STATE ENVIRONMENTAL QUALITY REVIEW ACT DETERMINATION**

Whereas, the Development Authority of the North Country (Authority) approved Capital Project No. 20203 per Resolution No. 2022-02-10 to decommission 48 abandoned groundwater monitoring wells at the Materials Management Facility, and

Whereas, New York State Department of Environmental Conservation (DEC) regulations require that inactive groundwater monitoring wells be decommissioned in accordance with DEC requirements specified in CP-43: Groundwater Monitoring Well Decommissioning Policy, and

Whereas, this work will be completed with nominal land disturbance and the project is needed to maintain landfill operations in conformance with DEC requirements. The proposed project secures or removes the well pipes and injects grout, to prevent groundwater contamination and hazardous ground conditions. The project meets the following Type II classification under 6 NYCRR 617.5(c)(24) of the State Environmental Quality Review Act (SEQRA): "information collection, including basic data collection and research; water quality and pollution studies, traffic counts, engineering studies; surveys; subsurface investigations; and soils studies that do not commit the agency to undertake, fund or approve any Type I or Unlisted action", and

Whereas, since the proposed action meets the Type II Action classifications listed under 6 NYCRR 617.5 (c)(24), the proposed abandonment work can be formally classified as Type II under the SEQRA and it can be further determined that the proposed action is not anticipated to have a significant impact on the environment.

Now, therefore be it

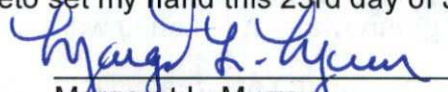
RESOLVED, that the Development Authority of the North Country does hereby determine that the Monitoring Well Decommissioning project is a Type II Action, and will not have a significant adverse impact on the environment, and therefore, no Environmental Impact Statement needs to be prepared and no further action with regard to the SEQRA is required.

Motion by: D. Mastascusa
Seconded by: A. MacKinnon

Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-56 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.



Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-06-57
June 23, 2022

MATERIALS MANAGEMENT DIVISION
FY2022-2023 CAPITAL BUDGET AMENDMENT
LEACHATE TRUCK TRACTOR EQUIPMENT REPLACEMENT

Whereas, the Development Authority of the North Country adopted a Fiscal Year 2022-2023 Materials Management Division Budget pursuant to **Resolution No. 2022-02-10**, and

Whereas, the Resolution authorized a \$140,000 capital project for the replacement of the Leachate Truck Tractor, and

Whereas, as a result of a competitive procurement process the Authority received a price of \$149,522.10 from Beam Mack Sales Service, Inc. (Vendor) through New York Statewide Contract #8996, and

Whereas, the Vendor estimates that the truck tractors will not be available until sometime in 2023, and

Whereas, the Vendor reserves the right to adjust their pricing to accommodate the actual price of the tractor at the time of purchase.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country herewith authorizes the Chief Financial Officer to increase the budget for Capital Project 20197 (MMF Leachate Truck Tractor FYE23) from \$140,000 to \$170,000.

Motion by: T. Hefferon

Seconded by: D. Mastascusa

Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-57 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.

Margaret L. Murray
Board Chairperson



Board Resolution No. 2022-06-58
June 23, 2022

**PHASE I ARMY WATER LINE PIPELINE REPLACEMENT PROJECT
OFFICE OF LOCAL DEFENSE COMMUNITY COOPERATION
DEFENSE COMMUNITY INFRASTRUCTURE PILOT PROGRAM**

Whereas, the Development Authority of the North Country owns and operates an 11.2 mile 20 inch ductile iron water transmission main that provides water services to Fort Drum, and the Towns of Champion, LeRay and Pamela, known as the Army Water Line, and

Whereas, the Development Authority of the North Country (Authority) completed an integrity assessment of the Army Water Line and discovered that certain sections require replacement, and

Whereas, Phase I of the Army Water Line Pipeline Replacement Project will replace approximately 13,000 feet of pipe, and

Whereas, the preliminary cost to complete Phase I of the Project is \$9.1 million comprised of approximately \$0.5 million for engineering services and \$8.6 million for construction costs, and

Whereas, **Resolution No. 2022-02-06** authorized the Authority to apply to the Office of Local Defense Community Cooperation (OLDCC), formerly known as the Office of Economic Adjustment (OEA), for funding toward engineering design and bidding services, and

Whereas, **Resolution No. 2022-05-41** authorized the Director of Regional Development to submit an application for a grant for up to 70% of the total project costs not covered by other federal or state grants associated with Phase I of the Army Water Line Pipeline Replacement Project to the Office of Local Defense Community Cooperation, and

Whereas, since the project is located entirely in a rural area as defined as having a population of less than 100,000 people, the Authority can request a waiver to the 30% match requirement, and

Whereas, funding for the Defense Community Infrastructure Pilot (DCIP) Program through the OLDCC has become available and applications are due July 18, 2022, and

Whereas, the Authority will apply for funding through the DCIP Program for a grant of up to 100% of the total eligible project costs associated with Phase I of the Army Water Line Pipeline Replacement Project, and

Whereas, the grant may require a 30% non-federal match if the 100% grant is not awarded which will come from project reserves and proposed bonding, and

Whereas, the Authority has briefed Fort Drum on Phase I of the Army Water Line Replacement Project and Fort Drum Garrison supports the application to OLDCC, and

Whereas, it was determined by the Authority and OLDCC that the Director of Regional Development, as program administrator, should execute the appropriate agreements for said grant.

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby authorize the Director of Regional Development to submit an application for a grant for up to 100% of the total eligible project costs not covered by other federal or state grants associated with Phase I of the Army Water Line Pipeline Replacement Project to the Office of Local Defense Community Cooperation, and be it further

RESOLVED, the Development Authority of the North Country does hereby authorize the Director of Regional Development to execute the grant agreement with the Office of Local Defense Community Cooperation, if funded, and implement the grant.

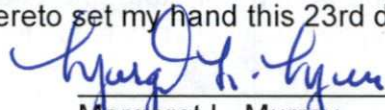
Motion by: M. Hall

Seconded by: D. Mastascusa

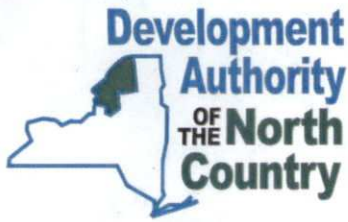
Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-58 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.



Margaret L. Murray
Board Chairperson



**Board Resolution No. 2022-06-59
June 23, 2022**

**2022 HOME PROGRAM YEAR
AUTHORIZING CONTRACTS**

Whereas, the Administrative Board for the North Country HOME Consortium met on March 9, 2022 and awarded funding from its 2022 Housing and Urban Development (HUD) HOME allocation in the amount of \$911,802, and

Whereas, the HOME awards will be made contingent upon a Release of Funds notice received by Jefferson County from the U.S. Department of Housing and Urban Development, and

Whereas, North Country Affordable Housing will receive \$220,123 in project and administration funds to assist about 5 eligible homeowners in Jefferson County with home repairs, and

Whereas, Snow Belt Housing will receive \$300,000 in project and administration funds to assist about 9 eligible homeowners located in Lewis County with home repairs, and

Whereas, Neighbors of Watertown will receive \$220,124 in funding to assist 6 income eligible households in the City of Watertown with home repairs, and

Whereas, the Development Authority of the North Country, as Grant Administrator, must enter into a contractual agreement with awardees in order to disburse HOME funding and provide ongoing monitoring of HOME projects on behalf of the Consortium.

Now, therefore be it

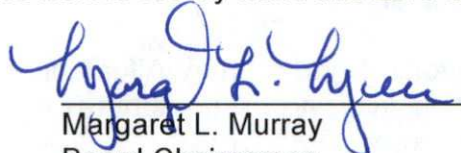
RESOLVED, the Development Authority of the North Country does hereby authorize the Executive Director or Chief Financial Officer to execute contracts based upon awards made by the North Country HOME Consortium Administrative Board.

Motion by: T. Hefferon
Seconded by: D. Mastascusa

Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-59 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.


Margaret L. Murray
Board Chairperson

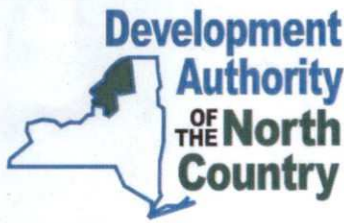
2022 HOME CONSORTIUM FUNDING AWARDS

**SUBJECT TO RELEASE OF FUNDS BY HUD*

Organization	Amount	Use of Funds
North Country Affordable Housing	\$220,123	Owner-occupied rehabilitation, Jefferson County
Snow Belt Housing	\$300,000	Owner-occupied rehabilitation, Lewis County
Neighbors of Watertown	\$220,124	Owner-occupied rehabilitation, City of Watertown
Development Authority of the North Country	\$35,000	Grant Administration
Jefferson County	\$10,000	Grant Administration

**There were no CHDO applicants/awards in 2022. \$136,771 will carry-forward to 2023.*

**Note: 2021 recaptured funds in the amount of \$10,216 added to the "2022 Home Consortium Funding Awards".*



Board Resolution No. 2022-06-60
June 23, 2022

**REGIONAL TOURISM TRANSFORMATIONAL COMMUNITY
REVOLVING LOAN FUND
JAMES ANDREW MILNE, OR
NEW CORPORATION TO BE FORMED
LOAN MODIFICATION**

Whereas, **Resolution No. 2013-08-12** establishes the Regional Tourism Transformational Community Revolving Loan Fund, and

Whereas, **Resolution No. 2021-12-133** approved a loan in the amount of \$100,000 to James Andrew Milne, or a new corporation to be formed, from the Regional Tourism Transformational Community Revolving Loan Fund in order to acquire the property currently known as Amanda's Village Motel located at 185 River Street, Saranac Lake (Essex County), and

Whereas, the applicant proposes to acquire the 11-room motel in order to make some improvements to it in order to retain affordable lodging in the Saranac Lake/Lake Placid area, and

Whereas, the approval required an as completed appraisal of at least \$562,500 for a 1:1 loan to value, and

Whereas, the total debt in the project is now \$512,500 with Mr. Milne contributing more cash equity into the project, and

Whereas, an as completed appraisal of at least \$512,500 is needed for a 1:1 loan to value, and

Whereas, the as completed appraisal dated April 28, 2022 valuating the business as a going concern had a value of \$555,000.

Now, therefore be it

RESOLVED, Development Authority of the North Country does hereby ratify a loan in the amount of \$100,000 from the Regional Tourism Transformational Community Revolving Loan Fund to James Andrew Milne, or new corporation to be formed, at the terms and conditions outlined on the attached Term Sheet, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan, and be it further

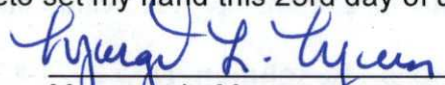
RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Motion by: D. Mastascusa
Seconded by: A. MacKinnon

Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-60 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.


Margaret L. Murray
Board Chairperson

TERM SHEET

Borrower: James Andrew Milne, or new corporation to be formed

Loan Fund: Regional Tourism Transformational Community Revolving Loan Fund [Empire State Development Funds]

Amount: \$100,000.00

Loan Term: 20 years

Loan Rate: 1%

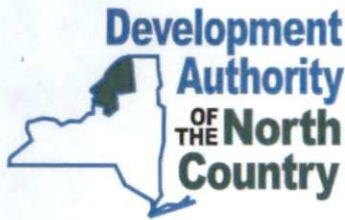
Loan Payment: Regular monthly principal and interest payments to fully amortize the loan over 240 months

Collateral: Co-proportional second mortgage and assignment of rents and leases on 185 River Street, Saranac Lake, NY 12983 (tax parcel #32.214-2-9.000);

Co-proportional 2nd lien on all machinery and equipment, furniture and fixtures, inventory, accounts receivable, and general intangibles of new corporation to be formed

Conditions:

- Cash equity of a minimum of \$112,500 demonstrated at closing by the disbursement statement.
- Community Bank financing of \$312,500
- Other gap funding commitment of \$100,000
- Labor peace does not apply as it is an existing business with less than 15 employees
- Acceptable MWBE plan or waiver
- Personal Guaranty of James Andrew Milne
- Satisfactory third party broker opinion or appraisal with a minimum value of at least \$512,500 for a 1:1 LTV
- Tourism Funds to go toward improvements and some acquisition
- Copies of invoices, and cancelled checks or bank statements



**Board Resolution No. 2022-06-61
June 23, 2022**

**COMMUNITY DEVELOPMENT LOAN FUND
CRANBERRY LAKE MOUNTAINEERS SNOWMOBILE CLUB, INC.
LOAN**

Whereas, the Cranberry Lake Mountaineers Snowmobile Club, Inc. ("Club") is requesting up to \$280,000 from the Community Development Loan Fund to assist with the acquisition of a groomer and drag for their snowmobile trails located in St. Lawrence County, and

Whereas, the Club received a Recreational Trails Program grant of \$233,240 toward the purchase of the groomer and drag, and

Whereas, the Club has to purchase and receive the equipment before they can submit for reimbursement of the grant, and

Whereas, the grant proceeds will pay down the loan to \$60,000 which will be termed out for 7 years, and

Whereas, an additional \$20,000, making the final term loan \$80,000, will be available contingent upon receipt of purchase order and proof of all funding for a new groomer to be purchased in late summer/fall 2022, and

Whereas, the contingency for the additional \$20,000 will expire if the groomer is not purchased by December 31, 2022, and

Whereas, the Authority has provided similar loans to snowmobile associations in the past, and

Whereas, the project meets the requirements of the Community Development Loan Fund.

Now, therefore be it

RESOLVED, Development Authority of the North Country does hereby approve a loan in the amount of up to \$280,000 to the Cranberry Lake Mountaineers Snowmobile Club, Inc. at the terms and conditions outlined on the attached Term Sheet, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan, and be it further

RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Motion by: M. Hall

Seconded by: A. MacKinnon

Doheny - **Yes**

Henry - **Absent**

MacKinnon - **Yes**

Murray - **Yes**

Hefferon - **Yes**

Hollenbeck - **Present**

McGrath - **Present**

Virkler - **Absent**

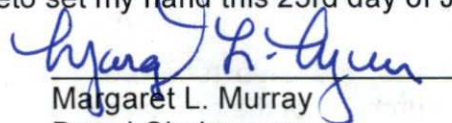
Hall - **Yes**

Hunt - **Present**

Mastascusa - **Yes**

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-61 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.



Margaret L. Murray
Board Chairperson

TERM SHEET

Borrower: Cranberry Lake Mountaineers Snowmobile Club, Inc.

Loan Fund: Community Development Loan Fund

Amount: up to \$280,000 paid down to an up to \$80,000 term loan

Loan Term: 7 years

Loan Rate: Wall Street Journal Prime set at loan closing, fixed

Loan Payment: Annual principal and interest payments

Collateral: First lien on 2023 Tucker Groomer

Conditions: Funding commitment from Recreational Trails Program grant of \$233,240
Members' loans on standby to DANC loan
Assignment of grant proceeds to pay down DANC loan
Final \$20,000 to be disbursed upon proof of all funding and a purchase order for new groomer for Star Lake

Community Development Loan Fund

BORROWER: Cranberry Lake Mountaineers Snowmobile Club Inc.

BUSINESS LOCATION: PO Box 481, Cranberry Lake, NY 12927

OWNERSHIP: 501 C 3 not for profit

OFFICERS:

Heather Cowen-Wilson	President
Todd Szlamczynski	Vice President
Bridget Webber	Secretary
Nancy Russell	Treasurer
Leo Burns	

AMOUNT: up to \$280,000.00

TERM: 7 year term

RATE: Wall Street Journal Prime set at closing, (4% as of 6/13/2022)

PAYMENTS: Annual principal and interest to amortize over 7 years.

COLLATERAL: First lien on 2023 Tucker groomer

USE OF FUNDS: \$280,000 to bridge NYS Grant, upon receipt of grant proceeds, pay down loan to \$60,000, up to \$20,000 available for down payment on groomer for Star Lake, making total term loan up to \$80,000**

GUARANTORS: None

EMPLOYEES:

Current:	0 FTE
Years 1-3:	0 FTE
Total:	0 FTE

USE OF FUNDS:

SOURCES OF FUNDS

Authority Loan	\$ 60,000.00
NYS Recreation Trails Program	\$233,240.00
Cash	\$ 2,500.00
Total Sources	\$295,740.00

USES OF FUNDS

2022 Tucker Groomer	\$261,951.00
Trail Paver II Drag	\$ 31,289.00
Equipment	\$ 2,500.00
Total Uses	\$295,740.00

Community Development Loan Fund

**Remaining \$20,000 available toward purchase of a groomer for Star Lake. Their plan is to sell their existing two 1990's vintage John Deere groomers. With these funds, the Authority's \$20,000, and a possible grant from St. Lawrence County for \$20,000, they will look to purchase a new Kubota tractor. Since the details for this piece of equipment are not finalized, and it is likely that the equipment will need to be purchased in the next three months, staff recommends committing the additional \$20,000 toward the purchase of this equipment, contingent upon receipt of a purchase order and proof of all funding. The commitment for the \$20,000 will expire 12/31/2022 if the equipment is not ordered prior to that date. There is sufficient collateral and debt service coverage ratio to validate an \$80,000 term loan.

NYS Recreation Trails Program Grant-Approved

PROJECT:

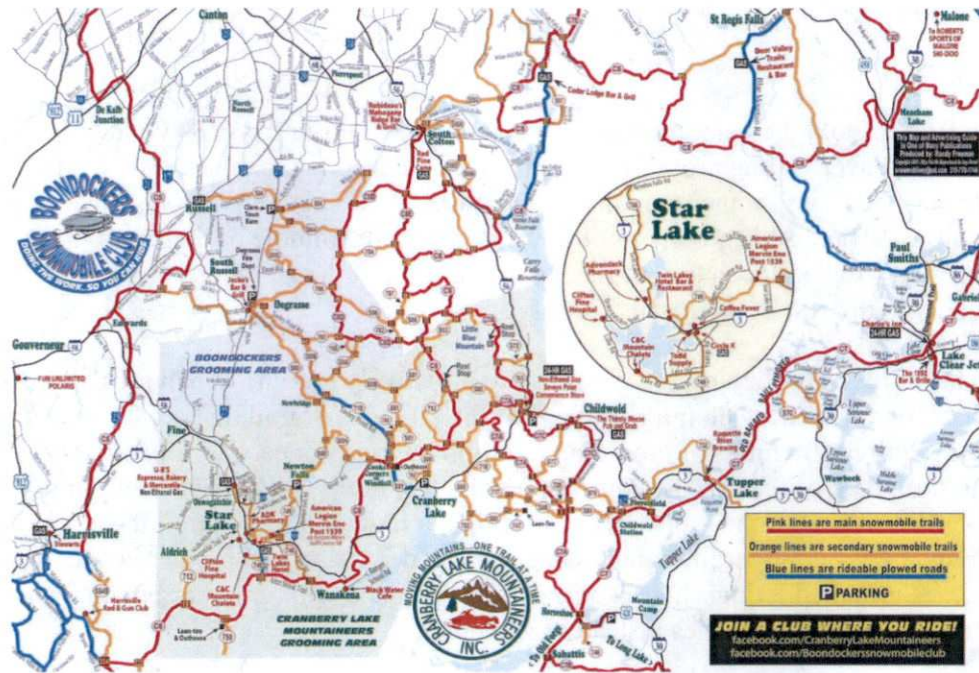
The Cranberry Lake Mountaineers Snowmobile Club, Inc. is requesting up to \$280,000 from the Community Development Loan Fund for bridge and permanent financing for a NYS Recreation Trails Program grant to purchase a new groomer and trail paver drag. Upon receipt of the grant funds, the loan would be paid down to \$60,000 which would be a permanent loan with annual payments over 7 years at the Wall Street Journal Prime rate fixed at the time of the closing. The additional \$20,000 would be committed to a new Kubota tractor for Star Lake with the commitment expiring 12/31/2022 if the equipment is not purchased by then [conditions are defined above **].

While the Club is looking for 100% financing between the DANC loan and the Grant, they are a newly formed Club that divested itself from the St. Lawrence County Snowmobile Association in 2021. They have been investing significant cash and in-kind resources in able to purchase equipment. They have also utilized significant in-kind labor for trail maintenance and other projects. In addition, with the increased cost of diesel and the need to purchase another tractor for Star Lake, they are requesting assistance in purchasing the Tucker Groomer and drag.

The Cranberry Lake Mountaineers Snowmobile Club, Inc, is a tax-exempt non-profit 501(c)3. In three years, their membership has increased nearly fifty percent to 448 members. Over half of their members live outside of St. Lawrence County with ten percent living outside of New York State. Snowmobile trails in the area are arguably some of the best in the North East and generate much-needed winter tourism. For the first time ever, during the 2021-2022 season, the St. Lawrence County Board of Legislators agreed to distribute funds directly to the clubs that generated the funds. This meant the Cranberry Lake Mountaineers Club had to raise funds and write grants to purchase grooming equipment.

The Club maintains nearly 150 miles of trails that include 99 OPRHP-funded miles in the four towns. Since May of 2021, the Club has purchased a 1995 John Deere 5300 with Gilbert tracks, a 1998 John Deere 6410 with Gilbert tracks, and a 2008 PistenBully 200 Edge. A loan of \$45,000 from nine members allowed the purchase of the PistenBully and a drag. The Club owns outright the two John Deere tractors and drags. They are however old and need replacement.

Community Development Loan Fund



In December 2021, the Club was awarded a federally-funded Recreational Trails Program (RTP) grant to acquire Trail Maintenance Equipment. The grant is administered by the Office of Parks Recreation and Historic Preservation (OPRHP). The RTP grant requires the equipment to meet the “Buy America” requirements that it be manufactured in the USA with American steel. The only full-sized groomer that meets the “Buy America” is a 2023 Tucker 2000 groomer made in Oregon (\$261,951). The TrailPaverII drag is made in Western New York (\$30,395).

The RTP grant stipulated that the Club must first purchase the equipment, then get reimbursed eighty percent of the expense up to the maximum award of \$233,240. The Club is requesting a bridge loan from the Authority to provide the club with funds to cover the entire purchase price of the Tucker groomer and drag. This money would be repaid within two months of the purchase date. When the grant funds come in, the loan would be paid down to \$60,000. They would then have an additional \$20,000 available to them to leverage funds to replace the 1995 groomer and drag located in Star Lake. Because of the NY Supreme Court rulings, of the New York State Constitution “Forever Wild Clause,” the 2023 Tucker groomer & drag can’t be used on 20 miles of Corridor 8 (C8) in Star Lake because it is too large. C8 from Herkimer County to Star Lake and Wanakena consistently receives enough snow and connects Southwest St. Lawrence County to the Tug Hill Region. The Star Lake groomer can only be a maximum of 8’ wide and under 10,000 lbs. This requires a smaller groomer such as a Kubota L6060 with Soucy tracks.

The underwriter asked why they are not purchasing a groomer and drag that meets the “Forever Wild Clause.” They stated that there is not a new groomer for sale that meets the “Buy America” requirements of the RTP grant that is under 8’ wide and 10,000lbs. In years past, Tucker manufactured a Tucker 1000 that was 8’ wide and at the 10,000 lbs requirements. Tucker no longer makes this model, the model that replaced this is a Tucker 1100E with a weight of

Community Development Loan Fund

12,380lbs. To meet the new EPA emissions standards has adds 2,000 lbs. to all of the Tucker diesel motors.

The 2023 Tucker 2000 they are purchasing weights 13,500 lbs and is 8'8" wide. The 4,000 lbs 8'6" wide Trail Paver II drag processes the snow & compacts it much better than a lighter tractor would. This is the best groomer to maintain the trails. The drag weight helps the trail hold up much better to traffic. This groomer will be placed near the middle of their trail maintenance area in Cranberry Lake. It can groom East or West, just not the 20 miles connecting Herkimer & Lewis County to the rest of their trails.

With 150 miles of trails, they need 3 groomers to effectively groom. When grooming, they go down & back on their 12' wide trails, except for the 20 miles of trail that are 8' wide in Star Lake. This requires 300 miles of grooming to groom all trails once. A groomer averages 5 miles an hour, to groom all of their trails requires 60 volunteer hours. With their 3 groomers operating it takes 2-3 days to groom the trails once. Grooming at night allows the trail to set up. Then they are back out grooming trails again. Corridor 8 and 7A along with other heavily used trails are sometimes groomed 3 times a week. They were plagued with groomer breakdowns requiring volunteers to be turning wrenches instead of grooming.

As background, in April of 2021, the Club did not own a groomer. In July 2021, they submitted an RTP grant for a new Tucker. They were awarded the grant in December and it was approved by the FHA this spring. They limped through the 2021-2022 snowmobile season with two 1990's vintage John Deere groomers and a newer 2008 Pisten Bully groomer. The 1995 John Deere 5300 was used to groom Star Lake including the 20 miles of narrow trails. In February 2022, the Town of Fine Highway Superintendent reached out to the Club stated that he did not want the 1995 steel tracked John Deere groomer on either the side of the Youngs Rd or Inlet Road. As long as it was cold, he would allow them to use the side of the roads. This effectively cut off a way to get to Corridor 8 from their groomer storage pole barn at the American Legion in Star Lake if the weather warmed.

The towns of Clifton and Fine together have a population of 2,200 people. They also maintain trails in portions of the Towns of Clare and Colton. The Club's citizen's struggle and the economic benefits of the winter tourism income are needed. Smooth trails are safer and increase ridership.

Airbnb, VRBO, and area motel businesses have sprung up in the past year. A new motel "Coyote's Den" just opened in Cranberry Lake. Last July, The Tug Hill Partners published the results of their Snowmobile Economic Impact study. They know snowmobile tourism is increasing! In April, their Club was recognized by the New York State Snowmobile Association when they named it the 2022 NY State Snowmobile Club of the Year!

Letters of Support-They provided letters of support for their groomer project from Senators Schumer and Gillibrand, NYS Senators Stec and Ritchie, the St. Lawrence County IDA, St. Lawrence County Board of Legislators, Towns of Clifton, Clare, and Fine, and the NYS DEC office of Forestry, along with several other entities.

Community Development Loan Fund

FINANCIALS:

Historical

	<u>2021</u>	<u>2022</u>	Budget <u>2023</u>
Total Revenue	\$15,022	\$161,540	\$405,073
Expenses			
Groomer 1 SL	\$0	\$14,055	\$6,050
Groomer 2 Cranberry Lake	\$0	\$57,640	\$19,450
Groomer 3 Sevey	\$0	\$33,606	\$33,850
Groomer Storage Blds	\$0	\$16,530	\$700.00
Other Groomer Expenses	\$150	\$0	\$400.00
Groomer 4 2023 Tucker	\$0	\$0	\$293,200
Trail Expenses	\$2,799	\$10,121	\$15,300
Operating Expenses	\$2,267	\$7,112	\$9,225
Administrative Expenses	<u>\$791</u>	<u>\$5,400</u>	<u>\$1,850</u>
Total Expenses	\$9,015	\$144,464	\$380,025
Increase in Net Assets	\$9,015	\$17,076	\$25,048
Add Back: Interest		\$9,000	\$9,000
Total Cash Available for Debt	\$9,015	\$26,076	\$34,048
Debt Service-DANC/Village	\$13,329	\$13,329	\$13,329
Members' Loan	<u>\$9,000</u>	<u>\$9,000</u>	<u>\$9,000</u>
Total Debt Service	\$22,329	\$22,329	\$22,329
DSC Ratio	.40	1.17	1.52

- The historical financial information for 2021, 2022 and the budget for 2023 was internally prepared.
- The Club split from the St. Lawrence County Snowmobile Association in 2021. They now receive a steady fund of \$39,600 from OPRHP funded by snowmobile registration fees. This income is distributed to our Trail Maintenance Entity (TME) by St. Lawrence County. With membership dues and fundraising they have an annual operating budget of \$65,000+.
- Primary income in 2023 is from the OPRHP, \$39,264, membership dues, \$9,800, fundraisers, \$8,500, groomer sponsor, \$7,500, and sponsor board, \$5,000. The total revenue in 2023 also reflects the \$292,504 associated with the Tucker Groomer and drag being purchased. These are offset by capital expenses.
- Primary expenses are for diesel, repairs, and existing debt of \$9,000 paid to members for the purchase of the 2008 PistenBully 200 Edge. These are annual payments that begin 12/15/2022.
- Other operating and administrative expenses are for insurance, fundraising expenses, office supplies, and printing.

Community Development Loan Fund

Balance Sheet

	6/10/2022	At Closing
Current Assets	\$61,855	\$61,855
Fixed Assets	\$111,500	\$427,240
Total Assets	\$173,355	\$489,095
Current Liabilities	\$0	\$19,128
Long-Term Liabilities	\$45,000	\$105,872
Total Liabilities	\$45,000	\$125,000
Net Assets	\$128,355	\$364,095
Total Liabilities & Net Assets	\$173,355	\$489,095

- On 6/10/22, primary current assets are in cash, \$22,255, and grants receivable, \$39,600. The primary liability is the members loan.
- The 'At Closing' is upon pay-down of the bridge financing and assumes that the full \$80,000 has been disbursed. When the remaining \$20,000 is disbursed, there will be a corresponding increase in fixed assets as well.

Credit:

The Cranberry Lake Mountaineers Snowmobile Club has a high risk Logic Score of 55, with a warning business failure assessment. It has no days beyond terms reported, either currently, or historically. It has no derogatory public records, collection accounts, or pending lawsuits. It has no trade lines established. It was formed in NYS in December 1987.

Collateral Analysis

	Full Market Value	Discount
2023 Tucker 2000 Groomer	\$260,950	
Discounted at 50% LTV		\$130,475
Improvements		
Total	\$260,950	\$130,475
Development Authority	\$80,000	\$80,000
Total LTV	30.6%	61.3%

Full Market Value equals Cost. Lien of \$80,000 will go against the Tucker 2000 Groomer.

Contingencies:

- Recreation Trails Maintenance grant of \$233,240
- Members' Loans on Standby to DANC Debt
- Assignment of grant proceeds to pay down loan
- Final \$20,000 to be disbursed upon proof of all funding for new groomer for Star Lake.

Community Development Loan Fund

STAFF RECOMMENDATION:

Staff recommends a loan of up to \$280,000 from the Community Development Loan Fund to the Cranberry Lake Mountaineers Snowmobile Club, Inc. based upon the terms and conditions above.



Board Resolution No. 2022-06-62
June 23, 2022

GRANT AGREEMENT
NORTH COUNTRY DIGITAL FILM PROJECTOR CONVERSION FUND
EMPIRE STATE DEVELOPMENT

Whereas, **Resolution No. 2013-08-13** established the Regional Digital Film Projector Conversion Revolving Loan Fund with a \$400,000 grant from Empire State Development (Grant #Y647), and

Whereas, the Development Authority of the North County received one draw of \$200,000 from Empire State Development, and

Whereas, any funds repaid to the Digital Film Projector Conversion Fund were to be deposited into the North Country Transformational Community Tourism Fund, and

Whereas, one loan was made for \$56,000 to the Appleby Foundation for a digital film projector conversion project at the Hollywood Theatre in Ausable Forks, and

Whereas, Grant #Y647 is complete and Empire State Development has requested the funds on-hand for the Digital Film Projector Conversion Fund be returned, and

Whereas, the Authority has up to \$144,179 of funds on-hand that includes accrued interest in funds dedicated to the Digital Film Projector Conversion Fund, and

Whereas, the Authority will submit a request to Empire State Development that the Digital Film Projector Conversion Funds totaling \$344,179, which includes the \$144,179 on-hand plus the unallocated amount of \$200,000, be reallocated to the North Country Transformational Tourism Revolving Loan Fund (Grant #Y648).

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby consent that the Digital Film Projector Conversion Fund Grant #Y647 is complete and authorizes the Executive Director to return up to \$144,179 to Empire State Development, and be it further

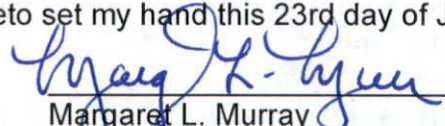
RESOLVED, the Director of Regional Development is authorized to request from Empire State Development that approximately \$344,179 be reallocated to the North Country Transformational Community Tourism Fund (Grant #Y648) to be administered per the terms and conditions of the fund previously set forth with Empire State Development.

Motion by: T. Hefferon
Seconded by: A. MacKinnon

Doheny - Yes	Henry - Absent	MacKinnon - Yes	Murray - Yes
Hefferon - Yes	Hollenbeck - Present	McGrath - Present	Virkler - Absent
Hall - Yes	Hunt - Present	Mastascusa - Yes	

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairman of the Board of Directors of the Development Authority of the North Country, do hereby certify that I have compared the foregoing copy of Resolution No. 2022-06-62 of the Development Authority of the North Country with the original adopted by the Development Authority of the North Country at a meeting of said Authority on the 23rd day of June, 2022, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 23rd day of June, 2022.


Margaret L. Murray
Board Chairperson