



Board Resolution No. 2023-09-67
September 28, 2023

CAPITAL BUDGET AMENDMENT FYE 2024
ADMINISTRATIVE DIVISION
VEHICLE REPLACEMENT

Whereas, the Development Authority of the North Country manages its over the road fleet vehicles through the Administrative Division which leases such vehicles to the operating divisions of the Authority, and

Whereas, vehicle #00079 (MMF - 2022 Ford F-150) was involved in an accident which resulted in a total loss of said vehicle, and

Whereas, the original purchase price of vehicle #00079 was \$32,699 with the Authority receiving an insurance settlement in the amount of \$36,670 as a result of the vehicle being identified as a total loss, and

Whereas, the purchase price of a like replacement vehicle is \$45,337.50, and

Whereas, Executive Management recommends that vehicle #00079 (MMF - 2022 Ford F-150) be replaced with a like vehicle in an amount not to exceed \$45,500 utilizing insurance proceeds of \$36,670 and Administrative Funding of \$8,830, and

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FYE 2024 Administrative Capital Budget for Fleet Vehicles (Project 10034) by \$45,500; from \$419,042 to 464,542, and be it further

RESOLVED, that the additional costs of \$45,500 shall be paid from insurance proceeds of \$36,670 and Administrative Funding of 8,830.

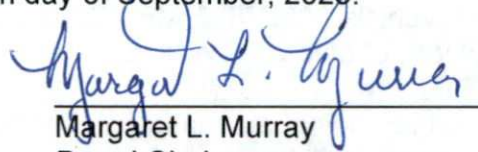
Motion by: T. Hefferon
Seconded by: A. MacKinnon

Bibbins – Yes	Hefferon – Yes	MacKinnon – Yes	Murray - Yes
Doheny – Yes*	Henry – Present	McGrath – Present*	Virkler - Yes
Hall – Yes	Hunt - Present	Mastascusa – Yes	

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-67 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.



Margaret L. Murray
Board Chairperson



Board Resolution No. 2023-09-68
September 28, 2023

CAPITAL PROJECT BUDGET AMENDMENT
MATERIALS MANAGEMENT DIVISION
SOUTHERN EXPANSION LANDFILL GAS PHASE 1 - 2 TIE IN

Whereas, pursuant to **Resolution No. 2023-02-08** the Development Authority of the North Country established a \$600,000 capital project budget for FYE 2024 to complete improvements to the landfill gas system to combine the collection system from Cells 1-11 (Phase 1) and Cells 12-20 (Phase 2) and add additional wells to optimize gas production (Project 20212), and

Whereas, the estimated cost for this capital project was prepared in November of 2022, prior to completing a recent evaluation of the landfill gas well network and final design for the project, and

Whereas, the Development Authority retained a consulting engineer to design such project for a total cost of \$123,000, and

Whereas, as a result of completing the evaluation and final design of the landfill gas system it was determined that additional gas wells are needed to optimize the network, and

Whereas, the project was competitively bid consistent with the Authority's procurement process and only one bid was received from Marcy Excavation Services, LLC for total cost of \$827,482, and

Whereas, the procurement was fully evaluated, and it was determined that 1) the specifications were clear and not duly restrictive, 2) adequate competition was solicited and it could have been reasonably assumed that more than one bid would have been submitted, 3) the price provided by the sole bidder is reasonable, 4) the bid is otherwise in accordance with the invitation for bids, 5) a different outcome is not suspected if the project were rebid and the work required would not be completed this construction season and 6) there would be negative budgetary and operational impacts to the Authority if this project were delayed and rebid, and

Whereas, the revised project costs to complete improvements to the landfill gas system as specified above is \$990,000; which includes consulting engineering costs of \$123,000, construction costs of \$827,482 and a 5% construction contingency, and

Whereas, the Materials Management Landfill Gas Reserve has sufficient funding to fund such additional capital costs, and

Whereas, Executive Management recommends that the Development Authority award to the sole responsive and responsible bidder, Marcy Excavation Services at a total cost of \$827,482.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby amend the Materials Management Division Capital Budget for the FYE 2024 Southern Expansion Landfill Gas Phase 1 and Phase 2 Tie In (Project 20212) to increase the budget from \$600,000 to \$990,000, and be it further

RESOLVED, that such increase shall be funded from the Landfill Gas Reserve.

Motion by: D. Mastascusa

Seconded by: A. MacKinnon

Bibbins – **Yes**

Hefferon – **Yes**

MacKinnon – **Yes**

Murray - **Yes**

Doheny – **Yes***

Henry – **Present**

McGrath – **Present***

Virkler - **Yes**

Hall – **Yes**

Hunt - **Present**

Mastascusa – **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-68 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.


Margaret L. Murray
Board Chairperson



Board Resolution No. 2023-09-69
September 28, 2023

FYE 2024 OPERATING BUDGET AMENDMENT
MATERIALS MANAGEMENT DIVISION

Whereas, the Development Authority of the North Country adopted an Operating Budget for FYE 2024 pursuant to **Resolution No. 2023-02-08**, and

Whereas, the FYE 2024 budget included \$5,000 for "Other Tools, Equipment, and Operation & Maintenance" (GL5770), and

Whereas, that budget line item has historically been utilized to purchase tools for Materials Management Maintenance Technicians to supplement their personally owned/supplied tools, and

Whereas, to date, the budget for Other Tools, Equipment, and Operation & Maintenance has not been utilized, and

Whereas, Executive Management has completed a thorough review of the tool assignment process for all divisions and determined that it is in the best interest of the Authority to supply employees with Authority-owned tools needed to perform their job functions and to no longer require that certain job classifications utilize their own personal tools, and

Whereas, Sourcewell, a State of Minnesota local government unit and service cooperative, authorized to establish competitively awarded cooperative purchasing contracts which are made available to governmental units including other state entities, awarded contract number 013020-SNP to Snap-on for Vehicle Lifts, Garage and Fleet Maintenance Equipment, and

Whereas, the Development Authority of the North Country is a member of Sourcewell and is therefore authorized to utilize Sourcewell contracts, and

Whereas, a quote was obtained from Snap-on utilizing contract number 013020-SNP from the competitive procurement conducted by Sourcewell, resulting in a 40% discount from list price, and

Whereas, the cost to procure the tools needed to replace Materials Management employees' personal tools, and to ensure that all employees in the same job classification are assigned the same tools, will be approximately \$71,000, and

Whereas, the additional cost of this expense will be paid for through utilization of the tip fee stabilization fund.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FYE 2024 Materials Management Facility Budget as follows:

<u>Expense</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>Change</u>
GL 5770	\$ 5,000.00	\$73,000	\$ 68,000

Motion by: M. Hall

Seconded by: E. Virkler

Bibbins – **Yes**

Hefferon – **Yes**

MacKinnon – **Yes**

Murray - **Yes**

Doheny – **Yes***

Henry – **Present**

McGrath – **Present***

Virkler - **Yes**

Hall – **Yes**

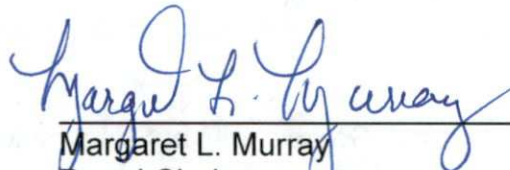
Hunt - **Present**

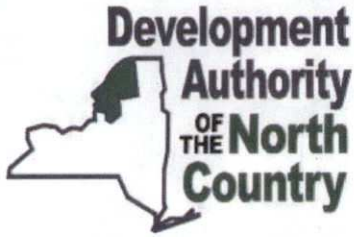
Mastascusa – **Yes**

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-69 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.


Margaret L. Murray
Board Chairperson



Board Resolution No. 2023-09-70
September 28, 2023

**ADOPTING UPDATED INTERCONNECTION POLICY
TELECOMMUNICATION DIVISION**

Whereas, the Development Authority of the North Country adopted its initial Interconnection Policy for the Telecommunication Division pursuant to **Resolution No. 2012-03-27**, and

Whereas, it has been over eleven years since this policy was updated, and

Whereas, the Development Authority was recently awarded a grant by the National Telecommunications and Information Administration, and

Whereas, this grant requires the Authority have an Interconnection Policy meeting the requirements of the Federal Communications Commission's (FCC) Internet Policy Statement, FCC 05-151, encouraging broadband deployment and the preservation and promotion of the open and interconnected nature of the public internet, and the Authority wishes to state affirmatively that it operates the network on an open and non-discriminatory basis.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby approve the revised Telecommunications Interconnection Policy, attached hereto and incorporated in this resolution.

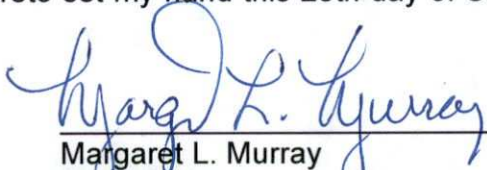
Motion by: D. Mastascusa
Seconded by: A. MacKinnon

Bibbins – Yes	Hefferon – Yes	MacKinnon – Yes	Murray - Yes
Doheny – Yes*	Henry – Present	McGrath – Present*	Virkler - Yes
Hall – Yes	Hunt - Present	Mastascusa – Yes	

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-70 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.


Margaret L. Murray
Board Chairperson

Development Authority of the North Country



Subject: Telecommunication; Division Interconnection Policy
Policy Adopted: September 28, 2023
Resolution: 2023-09-70

SECTION 1.0 INTRODUCTION

The Development Authority of the North Country (Authority) operates an Open Access Telecom Network in northern New York State. One of the founding objectives of the network was to allow service providers to use the network on an open and equitable basis. This policy defines the interconnection requirements of the Authority.

SECTION 2.0 PURPOSE

- 2.1 The Telecom Division is also referred to as the Open Access Telecom Network (OATN) and from its inception the mission has been to provide equitable connectivity for all customers and to operate the network in an open and fair manner.
- 2.2 Several of the grants that the Authority has been awarded, including the recent National Telecommunications and Information Administration (NTIA) Middle Mile Grant, require a description of network openness, including information on how the Authority will provide non-discriminatory interconnection and network management.

SECTION 3.0 POLICY STATEMENT

The Authority's middle mile fiber backbone meets and complies with the NTIA non-discrimination and network interconnection policies.

Non-discrimination - The Authority will meet or exceed the requirements set forth by the federal Communication Commission's Internet Policy Statement, FCC 05-151, adopted August 5, 2005, regarding nondiscrimination, and will actively encourage broadband deployment and the preservation and promotion of the open and interconnected nature of the public internet.

Network Interconnection - The Authority's predominantly middle mile service offering will be high-capacity, point-to-point private line transport services. The Authority will not manage or limit the content of communications traffic transiting the Authority's network, except to the extent necessary to maintain reliable service.

The Authority's network management practices will not involve preferential routing of traffic on the basis of content or provider. The Authority will utilize neutral traffic routing, and will enable connections to other carriers and to the public internet.

The Authority currently provides Points of Presence/Interconnection (POP) at several central offices, as well as Tier 1 Internet POP locations.

The Authority will continue to interconnect with other carriers to exchange traffic at these locations and other network nodes. The Authority will negotiate with bona fide requesting parties to use facilities constructed to support this project to sell those parties wholesale transport services on negotiated, equitable and commercially-reasonable terms and conditions.

SECTION 4.0 RECORD OF REVISION

Revision Date	Resolution #
3/22/2012	2012-03-27
9/28/2023	2023-09-70



Board Resolution No. 2023-09-71
September 28, 2023

**AUTHORIZING LETTER OF CREDIT TO SECURE OBLIGATIONS
RELATING TO NATIONAL TELECOMMUNICATION AND INFORMATION
ADMINISTRATION GRANT
TELECOMMUNICATIONS DIVISION**

Whereas, pursuant to Resolution Number 2022-09-71, the Development Authority of the North Country (Development Authority) submitted a grant application in the amount of \$14,547,750 to the National Telecommunications and Information Administration (NTIA) to support a \$24,450,000 project to expand middle mile telecommunications infrastructure to reduce the costs of connecting areas that are unserved or underserved to the internet backbone, and

Whereas, on June 15, 2023 the Development Authority was notified that such grant application was approved, and

Whereas, pursuant to the terms of the NTIA grant award, the Development Authority must submit an irrevocable standby letter of credit in the amount of no less than 25% of the grant award amount, to secure the Development Authority's obligations relating to the grant. Such Letter of Credit must be issued from 1) a bank that is a United States bank that is insured by the Federal Deposit Insurance Corporation and has a bank safety rating issued by Weiss of B- or better, or 2) a CoBank, that meets the requirements of the grant award, or 3) the National Rural Utilities Cooperative Finance Corporation, so long as it meets the requirements of the grant award, or 4) from any non-United States bank meeting the requirements of the grant award (a bank that meets the foregoing requirements is hereinafter referred to as a "Qualifying Institution"), and

Whereas, the Development Authority requested proposals from three banking institutions to provide the required letter of credit, and

Whereas, pursuant to Resolution No. 2023-08-64, the Members of the Development Authority authorized the Development Authority to obtain a letter of credit from Community Bank, NA in the principal amount not to exceed \$3,636,938, and

Whereas, it has been determined that Community Bank, NA is not a Qualifying Institution, and

Whereas, the Members of the Development Authority now desire to authorize the Development Authority to obtain the letter of credit from a Qualifying Institution, to secure the Development Authority's obligations relating to the grant.

Now, therefore be it

RESOLVED, that the Members of the Development Authority hereby authorize the Executive Director to obtain a letter of credit from a Qualifying Institution to be selected by the Executive Director, in the principal amount not to exceed \$3,636,938, and be it further

RESOLVED, that the Members of the Development Authority hereby authorize the Executive Director to negotiate and approve on behalf of the Development Authority all terms, conditions and other details of the Letter of Credit and to execute and deliver on behalf of the Development Authority all documents, and take all other actions, necessary to obtain the Letter of Credit, provided, however, the Development Authority's obligations relating to the Letter of Credit shall be special limited obligations of the Authority, payable solely from the Development Authority's telecommunications network revenues, assets and proceeds thereof, and be it further

RESOLVED, that the Members of the Development Authority hereby authorize the Executive Director to establish bank accounts to support such Letter of Credit as required.

Motion by: K. Bibbins

Seconded by: E. Virkler

Bibbins – Yes

Doheny – Yes*

Hall – Yes

Hefferon – Yes

Henry – Present

Hunt - Present

Mackinnon – Yes

McGrath – Present*

Mastascusa – Yes

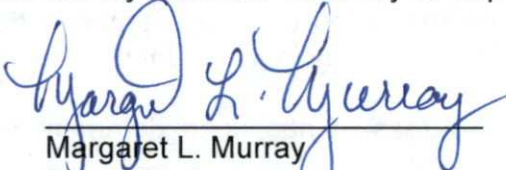
Murray - Yes

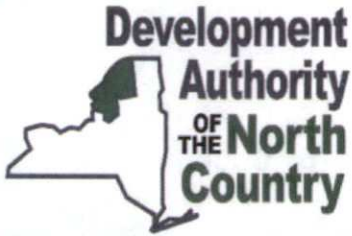
Virkler - Yes

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-71 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.


Margaret L. Murray
Board Chairperson



Board Resolution No. 2023-09-72
September 28, 2023

FYE 2024 OPERATING BUDGET AMENDMENT
WATER QUALITY DIVISION

Whereas, the Development Authority of the North Country adopted an Operating Budget for FYE 2024 pursuant to **Resolution No. 2023-02-11**, and

Whereas, the FYE 2024 budget includes an appropriation for "Shop Tools" (GL5706) of \$8,304 for the Army Sewer Line (Co 41) and \$5,000 for the Army Water Line (Co 42), and

Whereas, to date, there is \$837 remaining in the Army Sewer Line budget and \$4,949 in the Army Water Line budget for Shop Tools, and

Whereas, that budget line item has historically been utilized to purchase tools for Water Quality Technicians, Operators and Senior Operators to perform their job functions, and

Whereas, Water Quality Technicians, Operators and Senior Operators are required to keep assigned tools in their Authority designated vehicle so they can respond to emergency situations when on call, and

Whereas, Executive Management has completed a thorough review of the tool assignment process for all divisions and determined that it is in the best interest of the Development Authority to supply employees with Authority owned tools needed to perform job functions and to standardize the tools provided to each employee based on their job classification, and

Whereas, Sourcewell, a State of Minnesota local government unit and service cooperative, authorized to establish competitively awarded cooperative purchasing contracts which are made available to governmental units including other state entities, awarded contract number 013020-SNP to Snap-on for Vehicle Lifts, Garage and Fleet Maintenance Equipment, and

Whereas, the Development Authority of the North Country is a member of Sourcewell and is therefore authorized to utilize Sourcewell contracts, and

Whereas, a quote was obtained from Snap-on utilizing contract number 013020-SNP from the competitive procurement conducted by Sourcewell, resulting in a 40% discount from list price, and

Whereas, the cost to ensure that all employees in the same job classification are assigned the same tools will be approximately \$63,000, and

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FYE 2024 Water Quality Budget as follows:

Company	Account	FYE 2024 Current Budget	FYE 2024 Available Budget	FYE 2024 Amended Budget	Change
41	Shop Tools (5706)	\$ 8,304	\$ 837	\$ 24,717	\$ 16,413
41	Customer Billings	\$ 3,301,270	\$ -	\$ 3,317,683	\$ 16,413
42	Shop Tools (5706)	\$ 5,000	\$ 4,949	\$ 16,418	\$ 11,418
42	Customer Billings	\$ 2,136,477	\$ -	\$ 2,147,895	\$ 11,418
44	Shop Tools (5706)	\$ -	\$ -	\$ 29,383	\$ 29,383

Motion by: M. Hall

Seconded by: D. Mastascusa

Bibbins – Yes

Hefferon – Yes

MacKinnon – Yes

Murray - Yes

Doheny – Yes*

Henry – Present

McGrath – Present*

Virkler - Yes

Hall – Yes

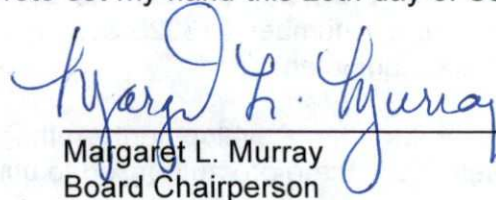
Hunt - Present

Mastascusa – Yes

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-72 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.



Margaret L. Murray
Board Chairperson



Board Resolution No. 2023-09-73
September 28, 2023

AFFORDABLE RENTAL HOUSING PROGRAM
DGGL PROPERTIES LLC
LOAN EXTENSION

Whereas, **Resolution No. 2021-06-94** authorized a loan of up to \$1 million from the Affordable Rental Housing Program to DGGL Properties, LLC to acquire and complete improvements at Woodcreek Villages in Gouverneur and The Bateman in Lowville, and

Whereas, DGGL Properties, LLC is in the process of completing improvements to these properties, and

Whereas, the lease-up of units at Woodcreek Villages is taking longer than expected due to market conditions, and

Whereas, DGGL Properties has been unable to convert to permanent financing until they reach 100% occupancy, and

Whereas, the DGGL Properties loan matured September 1, 2023, and

Whereas, DGGL Properties has requested a 6-month extension of this loan, and

Whereas, all other terms and conditions of the loan will stay the same.

Now, therefore be it

RESOLVED, Development Authority of the North Country does hereby extend the term of the DGGL Properties LLC loan for an additional 6 months, or upon conversion to permanent financing, whichever occurs first subject to the attached Term Sheet.

Motion by: D. Mastascusa
Seconded by: M. Hall

Bibbins – Yes	Hefferon – Yes	MacKinnon – Yes	Murray - Yes
Doheny – Yes*	Henry – Present	McGrath – Present*	Virkler - Yes
Hall – Yes	Hunt - Present	Mastascusa – Yes	

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-73 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.


Margaret L. Murray
Board Chairperson

TERM SHEET

BORROWER: DGGL Properties LLC

AMOUNT: NEW \$1,000,000 construction loan converted to permanent upon completion of construction

AMOUNT: EXISTING approximately \$740,000 at 09/2023; currently \$837,143 [amount will be adjusted at permanent loan closing]

FUND: Affordable Rental Housing Program

PURPOSE: Improvements to The Bateman and Woodcreek Villages

CONSTRUCTION LOAN: \$1 million construction loan at 1%, interest only paid monthly during construction period

EXISTING LOANS: \$1,000 monthly principal and interest at 1% during construction period

CONVERSION TO PERMANENT: At conversion to permanent financing, the two loans are consolidated into one loan at .5% for 30 years with annual interest only payments due on 12/31

COLLATERAL: Co-proportional second mortgage with approximately \$5,842,786 in NYS Housing Finance Agency sub debt on 7574 S. State Street, Lowville, NY 13367 and 1100 Larch Circle, Gouverneur, NY 13642; Assignment of Rents and Leases

GUARANTORS: None

CONDITIONS: \$100,000 at conversion to permanent financing to pay-down existing Authority loans.
1% processing fee paid on \$1,000,000 due at construction loan closing
1% processing fee paid on refinanced amount due at permanent loan closing
All required permits and approvals
Proof of all funding commitments
DANC will accept the state's regulatory agreement for affordability in lieu of its own recorded regulatory agreement
Copy of appraisals
Support letter from community



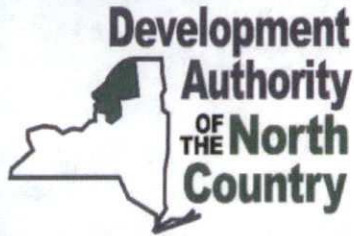
Dulles State Office Building
317 Washington Street, Suite 414
Watertown, New York 13601
Telephone (315) 661-3200
TDD (800) 662-1220 • danc.org

TO: Board of Directors
FROM: Michelle L. Capone, Director of Regional Development
DATE: September 15, 2023
SUBJECT: DGGL Properties LLC-Loan Extension

Resolution No. 2021-06-94 approved a loan of \$1,000,000 to DGGL Properties LLC to rehabilitate the Bateman in Lowville and Woodcreek Villages in Gouverneur. The loan closed on 10/21/2021 and the outstanding balance is \$574,097.68. The loan matured 9/1/2023.

DGGL Properties is completing the improvements at the two properties and lease-up of the units in Gouverneur have taken a bit longer than expected. They have not been able to convert to permanent financing yet. DGGL Properties has asked if the Authority would consider extending the term of the construction loan for an additional 6 months, or upon conversion to permanent financing, whichever occurs first.

Staff recommends that we extend the loan term for an additional 6 months, or upon conversion to permanent financing, whichever occurs first.



Board Resolution No. 2023-09-74
September 28, 2023

ECONOMIC DEVELOPMENT FUND
JEFFERSON COUNTY HISTORICAL SOCIETY
LOAN EXTENSION

Whereas, **Resolution No. 2021-06-95** authorized a loan of up to \$285,000 from the Economic Development Fund to the Jefferson County Historical Society to bridge New York State grant funding for improvements to their facility in Watertown, and

Whereas, the Authority has a participation loan with the Watertown Local Development Corporation which is also providing \$285,000 in construction financing, and

Whereas, the Authority is the lead lender, and

Whereas, the Jefferson County Historical Society is close to completing their project and finalizing their final grant draws, and

Whereas, the Jefferson County Historical Society loan matured September 1, 2023, and

Whereas, the Jefferson County Historical Society has requested a 3-month extension of this loan, and

Whereas, all other terms and conditions of the loan will stay the same.

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby extend the term of the Jefferson County Historical Society loan for an additional 3 months subject to the attached Term Sheet.

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

Bibbins – Yes	Hefferon – Yes	MacKinnon – Yes	Murray - Yes
Doheny – Yes*	Henry – Present	McGrath – Present*	Virkler - Yes
Hall – Yes	Hunt - Present	Mastascusa – Yes	

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-74 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.



Margaret L. Murray
Board Chairperson

TERM SHEET

Borrower: Jefferson County Historical Society

Loan Fund: Economic Development Fund

Loan Amount: up to \$285,000.00

Term: 24 months, or upon receipt of the final grant funds,
whichever occurs first

Rate: 1.5%, construction interest-only

Payment: Monthly interest-only

Collateral: Assignment of grant proceeds

Conditions: Watertown Local Development financing of \$285,000



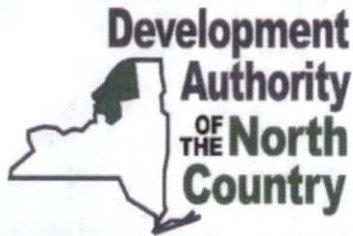
Dulles State Office Building
317 Washington Street, Suite 414
Watertown, New York 13601
Telephone (315) 661-3200
TDD (800) 662-1220 • danc.org

TO: Board of Directors
FROM: Michelle L. Capone, Director of Regional Development
DATE: September 15, 2023
SUBJECT: Jefferson County Historical Society-Loan Extension

Resolution No. 2021-06-95 approved a loan of \$285,000 to the Jefferson County Historical Society to bridge New York State grant funding to renovate their facility in Watertown. The Watertown Local Development Corporation also provided \$285,000 in construction financing, and entered into a participation agreement with the Authority with the Authority as lead lender. The loan closed on 9/21/2021 and the outstanding balance is \$43,451.62 on each of the Authority and WLDC loans, or \$86,903.24 total. The loan matured 9/1/2023.

The Historical Society has substantially completed the work at the facility and is wrapping up draws to the funding sources. They plan to provide another check soon for \$33,453.67 paying the loans down to \$53,449.57. The Historical Society has asked if the Authority would consider extending the term of the construction loan for an additional 3 months.

Staff recommends that we extend the loan term for an additional 3 months.



Board Resolution No. 2023-09-75
September 28, 2023

COMMUNITY DEVELOPMENT LOAN FUND
TUG HILL ARTISAN ROASTERS LLC
LOAN

Whereas, Tug Hill Artisan Roasters LLC is requesting up to \$200,000 from the Community Development Loan Fund to assist with bridging a RESTORE NY grant to rehabilitate their building located at 7514 S. State Street, Lowville, also known as the Old Jail, and

Whereas, the Village of Lowville received a RESTORE NY grant of \$900,000 to Tug Hill Artisan Roasters, LLC to rehabilitate the building known as the Old Jail, and

Whereas, the Village has requested that Empire State Development allow for three draws of \$300,000 each as the project meets completion milestones, and

Whereas, Tug Hill Artisan Roasters will also apply to the North Country Alliance for up to \$200,000 in bridge financing, and

Whereas, the Authority has bridged other New York State grants through its Economic Development Fund, however as a for-profit entity, it is not eligible through the Economic Development Fund, and

Whereas, the project meets the criteria of the Community Development Loan Fund and the project is beneficial to downtown Lowville.

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby approve a loan of up to \$200,000 from the Community Development Loan Fund to Tug Hill Artisan Roasters, LLC subject to the attached Terms and Conditions Sheet, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan, and further be it

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: E. Virkler

Bibbins – Yes	Hefferon – Yes	MacKinnon – Yes	Murray - Yes
Doheny – Yes*	Henry – Present	McGrath – Present*	Virkler - Yes
Hall – Yes	Hunt - Present	Mastascusa – Yes	

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-75 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.


Margaret L. Murray
Board Chairperson

TERM SHEET

Borrower: Tug Hill Artisan Roasters LLC

Loan Fund: Community Development Loan Fund

Loan Amount: up to \$200,000.00

Term: 24 months, or upon receipt of the final grant funds,
whichever occurs first

Rate: ½ Wall Street Journal Prime plus 1 set 5 days prior to the
loan closing

Payment: Monthly interest-only

Collateral: Assignment of grant proceeds

Conditions: North Country Alliance financing of up to \$200,000
Cash of \$38,005
Personal Guarantees of Scott Gilbert and Vanessa Gilbert
Acceptable MWBE utilization plan
Agreement between the Village of Lowville and Tug Hill
Artisan Roasters LLC in regard to the RESTORE NY grant of
\$900,000
ESD approval of 3 draws of \$300,000 during the course of
the project
All required permits and approvals
Regional Development staff to inspect work prior to paying
invoices

Community Development Loan Fund

BORROWER: Tug Hill Artisan Roasters LLC

BUSINESS LOCATION: 7514 S. State Street, Lowville, NY 13367

OWNERSHIP: Scott Gilbert-50%
Vanessa Gilbert-50%

AMOUNT: up to \$200,000

TERM: 24 months

RATE: ½ Wall Street Journal Prime plus 1 set 5 days prior to closing

PAYMENTS: Monthly construction interest-only

COLLATERAL: Assignment of grant proceeds

GUARANTORS: Scott Gilbert and Vanessa Gilbert

EMPLOYEES: Current: 4.5 FTE
Years 1-3: 4 FTE
Total: 8.5 FTE

SOURCES OF FUNDS

RESTORE NY	\$ 900,000.00
Cash	\$ <u>38,005.00</u>
Total Sources	\$ 938,005.00

USES OF FUNDS

Improvements	\$938,005.00
Total Uses	<u>\$938,005.00</u>

RESTORE NY-committed \$900,000. Requested that ESD allow 3 draws of \$300,000 each. This request is awaiting approval by ESD. DANC would provide up to \$200,000 in bridge financing and a similar request of \$200,000 will go to the NCA.

PROJECT:

Tug Hill Artisan Roasters is seeking \$200,000 in bridge funding from the Community Development Loan Fund in order to help bridge a RESTORE NY grant. They will also be applying to the North Country Alliance for an additional \$200,000.

The RESTORE NY grant was awarded to the Village of Lowville for the Old Jail/Tug Hill Artisan Roasters project for the restoration of a vacant building to include commercial spaces, improvements to the parking lot and entrance, and construction of an outdoor dining patio.

Tug Hill Artisan Roasters is proposing the following work be completed.

Community Development Loan Fund

1. Driveway and Parking Lot Restoration

Anticipated cost: \$60,000

Anticipated Scope: Excavation of existing asphalt and sub-base, site preparation, materials and installation of new asphalt.

2. Wrap Around Porch and Interior Reconstruction

Anticipated Cost: \$650,500.00

Anticipated Scope: Fiberglass insulation in attic to achieve R-60 building code requirements, heating for entire building, debris removal, removal of deteriorated side entrance and construction of new side entrance, Building electrical, support beams for 2nd floor, large covered wrap-around porch authentic to time period (per SHPO), plumbing, and final interior finishes to include sheetrock, flooring, interior doors, trim and moldings, railing, paint and primer.

3. Outdoor Dining, Landscaping and Screening

Anticipated Cost \$71,255.00

Anticipated Scope: Retaining Wall, Water Feature, Fruiting Buses, Ornamental Shrubs, Mulch, Pavers and Paver Wall, Rock Step, Wooden Fence, Landscaping Fabric, Chain Link Fence.

4. Contingency

Anticipated Cost: \$156,250

The contingency was built into the RESTORE NY grant budget to address any cost overruns. There is approximately a year between when the grant is submitted, award is made, and the project begins. During that time there is concern for cost increases, as well as increases associated with identifying MWBE certified firms to complete aspects of the work to meet grant requirements.



Tug Hill Artisan Roasters is a specialty grade coffee roastery located at 7514 S State St. Lowville, NY 13367, also known as the Old Jail. Established in 2016 by Greg Widrick, Ian Gilbert and Scott Gilbert, Tug Hill Artisan Roasters underwent a buyout in 2019, where Scott Gilbert and Vanessa Gilbert became 50/50 owner/partners. As the business continued to grow, space became less and less. In 2021, Tug Hill Artisan Roasters underwent its next big transformation when it took on the project of making the Old Jail in Lowville, NY its new home. With private and public funds, Tug Hill Artisan Roasters was able to transform the decrepit Old Jail into a new home for the roastery, a bakery, two apartments and a hub for creativity in culinary arts in Lewis County.

Today, Tug Hill Artisan Roasters employs 4 full time employees as well as one part time. In addition to roasting specialty coffee, it has opened a bakery and an espresso/coffee bar all within the Old Jail space. The Old

Community Development Loan Fund

Jail has been dubbed "St. Drogo's House" and is open from 9-5 M-F but, Tug Hill Artisan Roasters coffee can be found in roughly 80 cafes and stores throughout Central and Northern New York.

Tug Hill Artisan Roasters is to a Brewery what a coffee shop is to a bar. St. Drogo's house is unique because people can walk in off the street and see the roasting process before their very eyes. The espresso machine and pour over setup is on a bar that protrudes out splitting the roastery into a side that is more retail focused for guests and a side that is more production focused for the roastery. Guests are allowed to walk around to both sides and are encouraged to ask questions and interact with the coffee roasters and baristas. The same is true to a lesser degree of the Bakery on the other side of the central hall. This is a unique set up and people enjoy it.

The Lewis County Planning Office staff is assisting the Gilbert's to administer the grant. Staff also spoke at length with Scott Gilbert about the MWBE requirement for NYS grants.

MARKET:

This past summer the Gilberts did an assessment of what areas they would want to expand into. They decided that they wanted to continue working with phenomenal coffees, but also get into some higher end grocery stores (currently they are in no chain grocery stores). They also wanted to continue expanding in hospitality offering their bulk coffees to more cafes, Bed and Breakfasts, tourist resorts and the like. They are also continuing to invest in their online presence. Currently online sales make up around 12% of the overall sales. They would like to expand this number to 20% by the end of 2024. Finally, and most importantly, they will continue to develop the other aspects of the business. This includes getting the new cafe built out in the front of the building with the porch and patio for seating. To this day, many people are surprised to learn that they are even open. Unfortunately, St. Drogo's house still doesn't look like much from the street. The Gilberts will create more commercial space in the front of St. Drogo's House. It's worth mentioning that a yoga studio is waiting to move in as soon as the space is ready.

Specialty coffee and specialty baked goods are a growing sector. What Tug Hill Artisan Roasters has learned is that people who are moving to Lewis County either as a result of the newly expanded hospital, remote work and tourism, expect the services that are being offered at Tug Hill Artisan Roasters. High quality coffee and baked goods are not a luxury, but there is an expectation that a community like Lowville, will have these available. This in turn create a virtuous cycle contributing to a higher standard of living for everyone.

COMPETITION:

Most coffee roasteries that have shops operate under a business model where the roastery is physically separate from the cafe itself. This is true of some competitors like Peaks Coffee, Utica Coffee Roasters, Salt City Roasters, Kubal and Recess Coffee. With these roasteries the coffee is roasted in one location and then the coffee gets distributed to their stores/cafes. Currently, none

Community Development Loan Fund

of these coffee roasteries have a cafe presence north of Syracuse/Utica. By total volume Tug Hill Artisan Roasters is probably significantly smaller than each one of these roasteries.

As for quality of product, Tug Hill Artisan Roasters is really only competing with the likes of Peaks Coffee and Skytop Coffee from Manlius, NY. Both of these roasteries are focused on specialty grade coffee and do a good job roasting. Skytop will often roast "cup of excellence" coffees from national auctions. Tug Hill Artisan Roasters, through its coffee of the month program, has released award winning coffees including a coffee that scored 91 with Coffee Review.

Tug Hill Artisan Roasters believes that it can compete in this environment first, because they are offering a great product at a competitive price. Second, they are able to get their name out there as a reliable roastery that will offer the service that other roasteries need. Third, they will roast really high end coffees that get their name out there amongst the right trend setters. These people will tell their friends about what Tug Hill Artisan Roasters is doing. Finally, for their lower end specialty coffees (80-84 scores) they are conscious about pricing and are able to purchase large contracts with importers so that everyone has price stability and they are not at the whims of the commodity market.

MANAGEMENT:

Scott and Vanessa Gilbert are 50/50 owners of Tug Hill Artisan Roasters and the management responsible for the business' development and future plans. Scott and Vanessa are a married couple of 11 years, but have been working together in various capacities for 15. Both Scott and Vanessa were involved in not-for-profit work in Siberia, where Scott oversaw the development of 12 small businesses and helped manage a cyclical fund. At the same time, Vanessa was working at the Tuvan State University, where through grant writing, was able to help secure a large portion of the University's research budget.

Upon returning to the United States in 2015, Scott became interested in coffee and started Tug Hill Artisan Roasters. Vanessa started baking bread for the Watertown Farmers Market and quickly became a skilled baker. Since then Vanessa has taken baking classes at King Arthur Training School in Vermont and has become very accomplished in sourdoughs and laminated doughs. Scott is largely a self-taught roaster, but he's always seeking feedback and attending lectures and seminars on the subject. In the fall of 2022, Scott participated in the Specialty Coffee Association's Roaster Cup Preliminary level and placed 4th in a field of 16.

Recently Scott has been asked to do consulting for other Roastery start-ups and has helped advise a partner farm in Guatemala about how to approach and sell coffee in the United States. This largely consists of how to set up contracts, terms and helping to explain the technicalities of the coffee trade.

The Roastery and the Bakery are at different stages of development. While the Roastery has had a reliable, knowledgeable staff for over 2 years, the Bakery is in the staff development stage. Currently a lot of Vanessa's time is spent training staff.

Community Development Loan Fund

FINANCIALS:

Historical

	<u>12/21</u>	<u>12/2022</u>	<u>8/31/23</u>	<u>Year One</u>
Total Revenue	\$231,638	\$299,778	\$263,773	\$536,116
Gross Profit	\$107,949	\$145,291	\$156,442	\$305,492
Expenses	\$84,334	\$116,027	\$122,928	\$195,208
Other Income/(Expense)	\$44	\$735	\$23,583	\$0
Net Income	\$23,659	\$29,999	\$57,097	\$110,284
Add back: Depreciation	\$3,477	\$2,629	\$0	\$0
Cash Available for Debt	\$27,136	\$32,628	\$57,097	\$110,284

- The historical financial information for 2021 and 2022 was from the applicant's IRS Form 1065. The 2023 information was internally prepared by the applicant.
- Sales grew by 29% in 2022 over 2021. 2022 was the first full year in their new space in Lowville.
- Primary expenses in 2021 and 2022 respectively were as follows: Salaries and wages of \$33,608 and \$27,559, taxes and licenses of \$4,392 and \$10,600, insurance of \$6,894 and \$7,118, and supplies of \$6,009 and \$18,754. There was an equipment purchase of \$11,454 in 2022. Advertising has run around 1.4% of total sales.
- The owners received \$23,660 in 2021 and \$29,999 in 2022. It is their goal to draw \$45,000 from the business in 2023 and 2024.
- Through 8/31/2023, the business is on track to hit around \$395,000 in revenue.
- Worse case, if the applicant were to draw the entire \$400,000 (DANC and NCA funds) they would owe \$875 to DANC and \$1250 to NCA for a total of \$2125 per month, or \$25,500 per year. There is sufficient cashflow to make these payments. However, the likelihood is that they will draw the DANC funds first as they are lower interest rate and then draw on the NCA funds as needed, and will pay back the NCA and DANC funds when the grant funds come in to manage the amount of debt they need to pay to DANC and NCA.
- The owners are also looking to manage equipment and building maintenance expenses through annual cash flow. They will look to utilize excess cash to make these investments.

Balance Sheet

	12/2021	12/2022
Current Assets	\$26,362	\$116,442
Fixed Assets	\$30,335	\$353,677
Other Assets	\$2,675	\$669
Total Assets	\$59,372	\$470,788
Current Liabilities	\$7,218	\$25,802

Community Development Loan Fund

Long-Term Liabilities	\$3,669	\$403,669
Total Liabilities	\$10,887	\$429,471
Net Assets	\$48,485	\$41,317
Total Liabilities & Net Assets	\$59,372	\$470,788

- Primary current assets were in cash, \$5,840, and inventories, \$20,522, in 2021. In 2022, they were comprised of cash, \$65,645, accounts receivable, \$10,113, and inventories, \$38,974.
- Long term liabilities increased from \$3,669 to \$403,699 in 2022. While this is listed as a long-term liability, Scott Gilbert stated that \$400,000 is his inheritance and that there is no repayment obligation on this amount. It should really be considered equity. For underwriting purposes it is considered unsecured long-term debt.
- The balance sheet looks good for this business. They are trying to operate it with minimal debt utilizing grant funding sources where they can to make improvements and obtain equipment.

Credit:

Scott and Vanessa list assets of \$562,500 and liabilities of \$82,201. Assets are primarily in real estate of \$470,000 that includes a personal residence and the business location. Liabilities are primarily in notes payable to the bank of \$75,000. Scott has a TransUnion credit score of 675. He shows no derogatory comments. His only listed debt is a revolving line of credit of \$31,848. Vanessa has a Trans Union credit score of 722. She has no derogatory comments. Her only listed debt is an installment loan of \$7,493.

The Logic Score for the business is a medium risk score of 79, with a cautionary business failure assessment. The days beyond terms are 5 or less, with no information regarding historical days beyond terms payment trends. It has no derogatory public records, collection accounts, or pending lawsuits. It has no UCC filings, and no OFAC records were found.

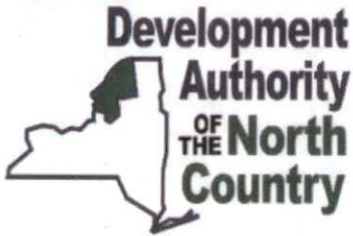
COLLATERAL ANALYSIS: Not Applicable

CONTINGENCIES:

- Agreement between the Village of Lowville and Tug Hill Artisan Roasters LLC in regard to the RESTORE NY grant of \$900,000
- NCA approval of up to \$200,000 for bridge financing
- Cash of \$38,005
- Any required permits or approvals, as necessary
- Acceptable MWBE utilization plan
- ESD approval of 3 draws of \$300,000 during the course of the project
- Regional Development staff will inspect the work completed prior to disbursing funds

STAFF RECOMMENDATION:

Staff recommends a loan of up to \$200,000 from the Community Development Loan Fund to bridge a RESTORE NY grant to Tug Hill Artisan Roasters LLC with the above contingencies.



Board Resolution No. 2023-09-76
September 28, 2023

**COMMUNITY DEVELOPMENT LOAN FUND
FARMLAND DRAINAGE LOAN FUND/
VALUE-ADDED AGRICULTURE LOAN FUND
RESCIND RESOLUTION**

Whereas, **Resolution No. 2020-05-64** authorized the use of \$100,000 from the Community Development Loan Fund to the combined Farmland Drainage/Value-Added Agriculture Loan Program, and

Whereas, there have been sufficient repayments to the Farmland Drainage/Value-Added Agriculture Loan Program that the \$100,000 is no longer required for capitalization, and

Whereas, the Farmland Drainage/Value-Added Agriculture Loan Program is funded in the Community Development Loan Fund and is tracked separately for internal accounting purposes, and

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby rescind **Resolution No. 2020-05-64**, and further be it

RESOLVED, the Executive Director is authorized to transfer funds between the Community Development Loan Fund and the Farmland Drainage/Value-Added Agriculture Loan Program, as needed, with such transactions to be reported on at the next Authority board meeting.

Motion by: E. Virkler

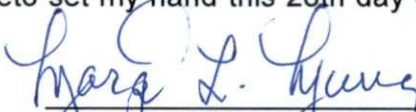
Seconded by: D. Mastascusa

Bibbins – Yes	Hefferon – Yes	Mackinnon – Yes	Murray - Yes
Doheny – Yes*	Henry – Present	McGrath – Present*	Virkler - Yes
Hall – Yes	Hunt - Present	Mastascusa – Yes	

*- indicates attendance via videoconference.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

I, the undersigned, Chairperson 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. 2023-09-76 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 28th day of September, 2023, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 28th day of September, 2023.


Margaret L. Murray
Board Chairperson