

Board Resolution No. 2024-08-55
August 22, 2024

**AUTHORIZING ACCEPTANCE OF
EMPIRE STATE DEVELOPMENT GRANT
NEXT MOVE NY**

Whereas, in January 2024, Governor Hochul announced that the North Country Regional Economic Development Council was the recipient of a \$10 million challenge grant for its Next Move NY initiative, and

Whereas, Next Move NY is an award-winning strategy to strengthen workforce opportunities for transitioning soldiers and their families by matching them with employment opportunities across the region, and

Whereas, the Development Authority of the North Country was identified as a Project Sponsor for several of the proposed strategies of the Challenges Competition Proposal, and

Whereas, pursuant to **Resolution No. 2024-03-38** the Board of Directors of the Development Authority of the North Country authorized the Executive Director, or designee, to submit an application to Empire State Development for funding in an amount up to \$4 million to implement the following strategies contained within the Next Move NY initiative:

- Establish Administrative Framework and Leadership, to include three new staff
- Establish a job matching portal
- Establish a career readiness, job and apprenticeship matching program
- Establish a veteran employment ambassador program
- Establish a soldier recruitment and training incentive program for employers, and

Whereas, the Development Authority submitted a grant application in the amount of \$3,974,070 to Empire State Development to implement the strategies detailed above to support the Next Move NY initiative for a period of five years, and

Whereas, if awarded such grant, Executive Management recommend that immediate action be taken to commence implementation of the Next Move NY initiative.

Now, therefore be it

RESOLVED, subject to an award by New York State, the Development Authority of the North Country does hereby authorize:

- 1. The Executive Director or designee to negotiate and execute the grant agreement with New York State.**

2. The Executive Director or designee to take all actions necessary to implement said grant pursuant to Next Move NY Implementation Proposal submitted to Empire State Development.
3. The Chief Financial Officer to establish a separate Operating Company within Regional Development, which shall be named Next Move NY.
4. The Fiscal Year 2025 Next Move NY Budget and line items contained therein, as proposed and set forth in Appendix A, are hereby approved and adopted. Said budget includes the creation of three new positions to staff the Next Move NY initiative.
5. The creation of a bank account, if required by the grant. The Chairperson, Treasurer, Executive Director, Chief Financial Officer, and Comptroller shall be named as authorized signatories on such bank account and that all documents required as evidence of this authority be executed by the appropriate Authority Officers/personnel. The Deputy Comptroller, Accountant I and Accounting Associate be designated authorized representatives for the purpose of initiating electronic transfers of Authority funds, when authorized by the designated Authority Officers/personnel, and that all documents required as evidence of such authority be executed by Authority Officers/personnel.
6. The Chief Financial Officer to utilize the Economic Development Fund to fund the cash flow needs of the Next Move New York initiative in an amount not to exceed \$600,000.

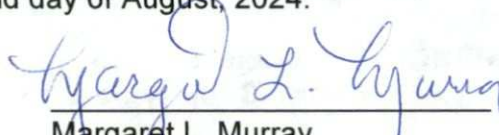
Motion by: D. Mastascusa
 Seconded by: A. MacKinnon

Bibbins – Yes	Hefferon – Yes	MacKinnon – Yes	Murray – Yes
Doheny – Yes	Henry - Present	McGrath – Absent	Virkler – Absent
Hall – Absent	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. 2024-08-55 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 22nd day of August, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 22nd day of August, 2024.

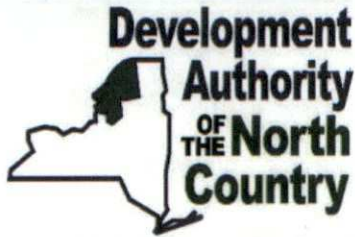

 Margaret L. Murray
 Board Chairperson

NEXT MOVE NY
BUDGET FYE 2025
APPENDIX A

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ESTIMATED BUDGET (9.1.24 - 3.31.25)	
	Revenue		
4183	NY State Grants	\$	665,236.07
	Total Grant Revenue	\$	665,236.07
	Salaries		
5001	Regional Development Wages	\$	150,359.85
	Total Salaries	\$	150,359.85
	Fringe Benefits		
5031	FICA Expense	\$	9,035.82
5032	Pension Expense	\$	18,232.80
5033	Health Insurance	\$	33,459.27
5034	Workers Comp	\$	195.47
5035	Disability Insurance	\$	561.17
5042	Post Retire Overhead	\$	10,334.19
5054	Employee Physicals & Screening	\$	678.00
	Total Fringe Benefits	\$	72,496.71
	Office & Administrative		
5053	Misc Employee Costs	\$	291.67
5102	Office Rent (Watertown)	\$	13,125.00
5104	Office Supplies	\$	1,500.00
5112	Telephone	\$	150.00
5114	Cellular Services	\$	840.00
5120	Dues & Subscriptions	\$	875.00
5202	Employee Mileage Reimbursement	\$	3,908.33
5204	Empl. Meals & Incidental	\$	1,458.33
5206	Empl. Lodging	\$	1,633.33
5270	Travel & Meeting Expense	\$	1,750.00
5370	Training & Development	\$	2,500.00
5508	Cleaning Services	\$	1,166.67
5570	Other General Expense	\$	1,000.00
6104	Sponsorships	\$	5,000.00
5924	Legal	\$	2,000.00
5128	Programming & Software	\$	1,200.00
6190	Admin Allocation	\$	30,659.06
	Total Office & Admin	\$	69,057.40
	Professional Fees		
5970	Consulting-Next Move NY Marketing	\$	80,000.00
5970	Consulting-Next Move NY CRM	\$	130,000.00
5123	Advertising/Promotion	\$	52,500.00
	Total Professional Fees	\$	262,500.00
	Automobile		
5601	Auto/Light Truck Rep. & Maint.	\$	100.00
5602	Auto/Light Truck Fuel	\$	2,030.44
	Vehicle Insurance	\$	1,166.67
	Total Automobile	\$	3,297.10
	Equipment		
1440 (Asset)	Vehicle	\$	37,500.00
5130	Office Equipment	\$	2,500.00
5170	Other Office Expenses (Furniture)	\$	12,500.00
5124	Computer Equipment	\$	11,275.00
	Equipment	\$	63,775.00
6120	Grants	\$	43,750.00
	Total Expenses		665,236.07
	Change in Net Assets		0.00

Note:

- 1 Next Move NY Administrative Allocation will reduce Affordable Rental Housing Administrative Allocation by like amount
- 2 Vehicle will be purchased as a capital asset, therefore capitalized and depreciated.
- 3 Expenditures authorized above shall be recorded pursuant to principles set by the Governmental Accounting Standards Board.



Board Resolution No. 2024-08-56
August 22, 2024

**2024 HOME PROGRAM YEAR
AUTHORIZING CONTRACTS**

Whereas, the Administrative Board for the North Country HOME Consortium met and awarded funding from its 2024 Housing and Urban Development (HUD) HOME allocation in the amount of \$766,272.03, and

Whereas, the following organizations will receive HOME contracts for funding:

Organization	Amount	Use of Funds
Neighbors of Watertown	\$220,000	Owner Occupied Rehabilitation
North Country Affordable Housing	\$220,000	Owner Occupied Rehabilitation
Frontier Housing	\$173,454.03	Owner Occupied Rehabilitation
Neighbors of Watertown	\$112,818	CHDO set-aside funds for new rental project in City of Watertown
DANC	\$35,000	Grant Administration
Jefferson County	\$5,000	Grant Administration

Whereas, the Administrative Board also awarded previously unallocated CHDO set-aside funds from 2020, 2021, 2022, and 2023 totaling \$607,182 to Neighbors of Watertown for its permanent supportive housing project in the City of Watertown, and

Whereas, the Development Authority of the North Country will enter into an Agreement with Neighbors of Watertown Inc. for a total grant of \$720,000 for a rental project in the City of Watertown, 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 HOME contracts based upon awards made by the North Country HOME Consortium Administrative Board.

Motion by: D. Mastascusa
Seconded by: K. Bibbins

Bibbins – **Yes**
Doheny – **Yes**
Hall – **Absent**

Hefferon – **Yes**
Henry - **Present**
Hunt - **Present**

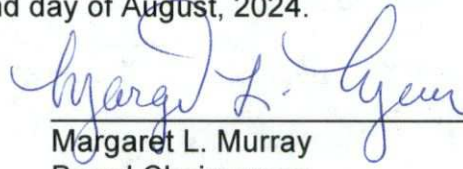
MacKinnon – **Yes**
McGrath – **Absent**
Mastascusa – **Yes**

Murray – **Yes**
Virkler – **Absent**

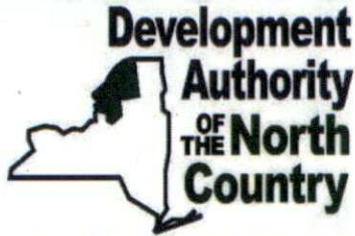
*- indicates attendance via videoconference.

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. 2024-08-56 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 22nd day of August, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 22nd day of August, 2024.



Margaret L. Murray
Board Chairperson



Board Resolution No. 2024-08-57
August 22, 2024

AFFORDABLE RENTAL HOUSING PROGRAM
NORTH COUNTRY RURAL PRESERVATION ASSOCIATES LP
LOAN MODIFICATION

Whereas, **Resolution No. 2011-03-12** authorized a loan of \$500,000 to North Country Rural Preservation Associates LP to help purchase and renovate six USDA affordable housing properties located throughout Jefferson and St. Lawrence Counties totaling 182 units, and

Whereas, the resolution term sheet provided for a loan term of 15 years with loan repayments made from available cash flow, and

Whereas, the Commitment Letter and Promissory Note reflect repayments from available cash flow in equal installments of \$41,833 annually for 15 years with a maturity of 30 years, and

Whereas, upon review of such loan documentation, it is the recommendation of staff that the loan be modified to reflect a loan amortization and maturity of 30 years, and

Whereas, the current loan balance is \$229,680.87, and

Whereas, this resolution reconciles the loan term from 15 years to 30 years with a maturity of March 2043 which is consistent with the mortgage, and with all other loan terms and conditions remaining the same.

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby modify the loan term from 15 years to 30 years for the loan to North Country Rural Preservation Associates LP in the amount of \$500,000, and authorizes the Executive Director to execute any documentation required to effectuate such change.

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

Bibbins – **Yes**
Doheny – **Yes**
Hall – **Absent**

Hefferon – **Yes**
Henry - **Present**
Hunt - **Present**

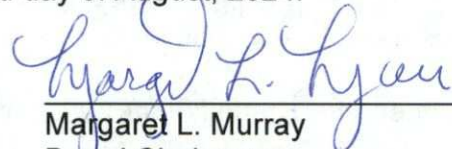
MacKinnon – **Yes**
McGrath – **Absent**
Mastascusa – **Yes**

Murray – **Yes**
Virkler – **Absent**

*- 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. 2024-08-57 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 22nd day of August, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 22nd day of August, 2024.


Margaret L. Murray
Board Chairperson



Board Resolution No. 2024-08-58
August 22, 2024

**ECONOMIC DEVELOPMENT FUND
CLARK HOUSE PRESERVATION INC.
LOAN**

Whereas, Clark House Preservation Inc. is requesting a loan of up to \$50,000 from the Economic Development Fund to bridge a Community Capital Assistance Program grant to restore and renovate the Clark House in Waddington (St. Lawrence County), and

Whereas, Clark House Preservation is a not-for-profit 501(c)(3) organization and the project is eligible for funding through the Economic Development Fund, and

Whereas, the grant funds will be used for architect/engineering services to complete design work for the project at the Clark House, and

Whereas, the Development Authority's Engineering Division has a contract with Clark House Preservation to provide grant administration and project management, and

Whereas, the project is transformational to downtown Waddington.

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby authorize a loan in the amount of up to \$50,000 from the Economic Development Fund to Clark House Preservation Inc. at the terms and conditions outlined on the attached Term Sheet, and further authorizes the Executive Director or 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: T. Hefferon
Seconded by: A. MacKinnon

Bibbins – **Yes**
Doheny – **Yes**
Hall – **Absent**

Hefferon – **Yes**
Henry - **Present**
Hunt - **Present**

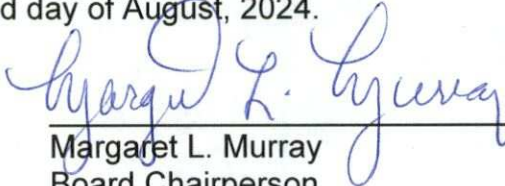
MacKinnon – **Yes**
McGrath – **Absent**
Mastascusa – **Yes**

Murray – **Yes**
Virkler – **Absent**

*- 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. 2024-08-58 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 22nd day of August, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 22nd day of August, 2024.


Margaret L. Murray
Board Chairperson

TERM SHEET

Borrower: Clark House Preservation Inc.

Fund: Economic Development Fund

Amount: up to \$50,000

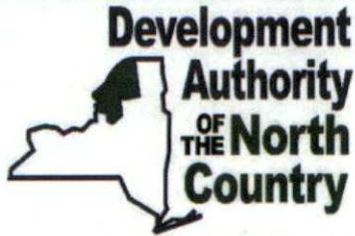
Term: 12 months

Interest Rate: ½ Wall Street Journal Prime plus 1 set at closing

Repayment: Monthly interest only payments

Security: Assignment of Community Capital Assistance Program grant payments.

Conditions: Proof of CCAP Grant of \$125,000
Proof of building liability insurance



Board Resolution No. 2024-08-59
August 22, 2024

ECONOMIC DEVELOPMENT FUND
MASSENA ARTS AND THEATER ASSOCIATION INC.
LOAN

Whereas, Massena Arts and Theater Association Inc. (MATA) is requesting a loan of up to \$100,000 from the Economic Development Fund to bridge a Downtown Revitalization Initiative Core of the Community grant to complete renovations to the Schine Theater in downtown Massena (St. Lawrence County), and

Whereas, MATA is a not-for-profit 501(c)(3) organization and the project is eligible for funding through the Economic Development Fund, and

Whereas, the project is transformational to downtown Massena.

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby authorize a loan in the amount of up to \$100,000 from the Economic Development Fund to Massena Arts and Theater Association Inc. at the terms and conditions outlined on the attached Term Sheet, and further authorizes the Executive Director or 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: T. Hefferon

Bibbins – **Abstained** Hefferon – **Yes**
Doheny – **Yes** Henry - **Present**
Hall – **Absent** Hunt - **Present**

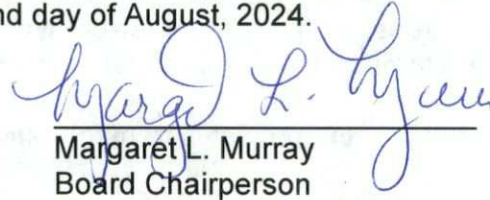
MacKinnon – **Yes**
McGrath – **Absent**
Mastascusa – **Yes**

Murray – **Yes**
Virkler – **Absent**

*- 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. 2024-08-59 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 22nd day of August, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 22nd day of August, 2024.


Margaret L. Murray
Board Chairperson

TERM SHEET

Borrower: Massena Arts and Theater Association Inc.

Fund: Economic Development Fund

Amount: up to \$100,000

Term: 18 months

Interest Rate: ½ Wall Street Journal Prime plus 1 set at closing

Repayment: Monthly interest only payments

Security: Assignment of DRI Core of the Community grant payments.

Conditions: Proof of cash contribution of \$25,000
Proof of DRI Core of the Community Grant of \$100,000
Proof of building liability insurance

Economic Development Loan Fund

BORROWER: Massena Arts and Theater Association, Inc.

BUSINESS LOCATION: 63,65,67 Main Street, Massena, NY 13662 (parcel # 9.067-2-23)

OWNERSHIP: 501 C 3 not for profit

OFFICERS:

Allison Smith	President
Ryan Murphy	Vice President
Matthew LeBier	Secretary
Justin Cardinal	Treasurer
William Fiacco	Project Advisor

AMOUNT: up to \$100,000.00

TERM: 18 months

RATE: ½ Wall Street Journal Prime plus 1 set at closing, (5.25% as of 8/9/2024)

PAYMENTS: Monthly interest only payments.

COLLATERAL: Assignment of grant proceeds

USE OF FUNDS: \$100,000 to bridge DRI Core of the Community grant, upon receipt of grant proceeds will pay-off loan.

GUARANTORS: None

EMPLOYEES:

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

USE OF FUNDS:

SOURCES OF FUNDS

USES OF FUNDS

DRI Core of the Community	\$ 100,000.00	Improvements	\$125,000.00
Cash	\$ 25,000.00		
Total Sources	\$125,000.00	Total Uses	\$125,000.00

**Authority funds to bridge DRI Core of the Community funding.

Economic Development Loan Fund

PROJECT:

The Massena Arts and Theater Association (MATA) is requesting up to \$100,000 from the Economic Development Loan Fund to bridge a DRI Core of the Community grant to begin improvements on the former Schine Theater in downtown Massena. This funding is a small piece of a larger project; however, the consultant is finalizing the project budget and sources of funds. We will meet with the Applicant, St. Lawrence County IDA, and SeaComm FCU once the details are finalized to identify a larger funding package to bridge the grants.

The Massena Arts and Theater Association, Inc., (“MATA”) is a 501c(3) organization, located at 63-67 Main Street, dedicated to a complete restoration of the historic Schine Theatre in the heart of downtown Massena. MATA’s mission is to restore and reimagine the historic gem, breathing new life into downtown Massena and positively impacting the local economy and regional tourism efforts.



Originally built in 1918 as a movie theater in a grand ornate style, the currently vacant and blighted 14,000 sq. ft. building will be transformed from a traditional movie theater to a multi-use community theater and event center. The theater is located on Main Street in downtown immediately across from the Town/Village office building. Design plans will provide this community theater with flexibility for its programs; including traditional community theater offerings, movies, concerts, cabaret

shows, and other performances. Additionally, the ability to accommodate conference presentations and other large audience events will fill additional voids that currently exist in the community while providing valuable revenue streams to support the arts & culture programming.

The first step in the restoration process was in June 2015 when MATA purchased the building with the support of a \$50,000 grant from the St. Lawrence River Valley Redevelopment Agency and a low interest loan from SeaComm Federal Credit Union. The current balance on the loan is \$38,271. After purchasing the building, MATA embarked on what would end up being a three-phase restoration plan.

Phase I included a comprehensive environmental study, and asbestos abatement was completed in 2019, as was a Hazardous Material Study. Upon completion of the work, the property was determined to be free of environmental issues, giving the project “shovel-ready” status. Total project costs for this phase exceeded \$300,000, and was made possible by a \$170,000 New York Main Street Grant and MATA fundraising.

Phase II includes crucial facade and stabilization work as well as the restoration and installation of the historic marquee, engagement of an architect to produce as-built and schematic designs for

Economic Development Loan Fund

the interior renovations and design work for modern mechanicals. This is currently underway and made possible by a grant, donations and fundraising.

In 2024 SeaComm Federal Credit Union donated \$60,000 towards the restoration and return of the Marquee. In 2023 MATA hosted multiple fundraising events which resulted in over \$18,000 in revenue. Thanks to the Village of Massena and the DRI Core of the Community grant it received an award of \$100,000 and MATA will provide a \$33,000 match towards the phase two goals. This work is currently out to bid and set to begin July 2024 and completed by 4Q 2024. The Authority's funds will bridge the DRI grant for this work to be completed. The following is proposed to be completed with the \$100,000 grant:

1. Marquee Steel Canopy Replacement & Structural Support Improvements,
2. Vestibule and Exterior Sidewalk Replacement,
3. Electrical Upgrades/Restore Power to Marquee, Facade, and other areas of the theater,
4. Replacement of Storefront windows and doors (63 and 67 Main Street).

Upon completion of this project, the DRI Core of the Community funds will be paid and will pay-off the Authority's loan.



The final phase of the project is still being finalized and MATA has reached out to several other funding sources. The total project is over \$3 million. DANC staff will work with lending partners to identify a funding package to assist in bridging the grants so that the project can be completed. This is a transformational project for downtown Massena.

Brooks Washburn with LaBella is assisting MATA with the grant administration.

FINANCIALS:

	Historical		
	<u>2022</u>	<u>2023</u>	<u>6/2024</u>
Total Revenue	\$9,069	\$44,067	\$66,224
Operating Expenses	<u>\$9,409</u>	<u>\$18,731</u>	<u>\$40,678</u>
Net Income	(\$340)	\$25,336	\$25,546

- The historical financial information for 2022 and 2023 was internally prepared. The organization has a monthly treasurer's report that is summarized for each year-end, however there are no compiled or reviewed statements. They have not needed to file a 990 as income has been below \$50,000 and assets less than \$500,000. They will file a 990 for 2024.

Economic Development Loan Fund

- Income in 2022 was \$7,400 from rent and \$1,669 from donations. In 2023, income was \$11,200 from rent and \$32,867 from donations. They currently have two tenants each paying \$400 a month.
- In reviewing their reports, expenses appear to be related to the building in regard to water bills, mortgage payments, and minor improvements. They did spend \$18,000 in June as the first of three payments to Legacy Collision to rehabilitate the marquee. There didn't appear to be an expense for building insurance, however there is a mortgage on the building. If the loan is approved, we would want proof of building insurance.
- MATA is making a monthly payment to SeaComm of \$455. Loan of \$42,875 closed on 6/29/2021 and matures 7/2036 with an outstanding balance of \$38,271.
- Interest on a \$100,000 loan for one year would be \$5,250. MATA would have sufficient cash to pay this debt.

Balance Sheet

	4/30/2024
Current Assets	\$64,912
Fixed Assets	\$85,000
Total Assets	\$149,912
Current Liabilities	\$1,500
Long-Term Liabilities	\$36,504
Total Liabilities	\$38,004
Net Assets	\$111,908
Total Liabilities & Net Assets	\$99,912

- The current asset is comprised of cash. They have been fundraising and receiving some rental income from tenants. They have the \$25,000 cash match on hand for the Core of the Community grant.
- The fixed asset is based on an appraisal of the building dated 4/25/2024.
- The debt is the mortgage with SeaComm toward the acquisition of the building.

Credit:

The Logic Score for MATA is medium risk score of 55, with a warning business failure assessment. There are no days beyond terms reported, current or historical. It has no derogatory public records, collection accounts, or pending lawsuits. It has no trade lines established.

Collateral Analysis

- Authority doesn't usually take collateral other than the assignment of grant proceeds.
- Assessed value of property is \$35,000 and an appraisal has the value of the building at \$85,000. SeaComm FCU has a mortgage with a balance of \$38,271.

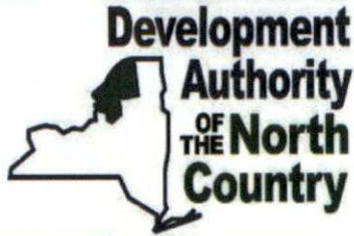
Contingencies:

Economic Development Loan Fund

- DRI Core of the Community grant of \$100,000
- Proof of owner cash of \$25,000
- Proof of building liability insurance

STAFF RECOMMENDATION:

Staff recommends a loan of up to \$100,000 from the Economic Development Loan Fund to the Massena Arts and Theater Association Inc. based upon the terms and conditions above.



Board Resolution No. 2024-08-60
August 22, 2024

**NORTH COUNTRY ECONOMIC DEVELOPMENT FUND
BOARD AGREEMENT
EXTENSION**

Whereas, **Resolution No. 2014-08-13** authorized the execution of an Agreement to establish the North Country Economic Development Fund Board, and

Whereas, the North Country Economic Development Fund is a regional revolving loan fund created with \$10 million that the New York Power Authority (NYPA) received from ALCOA as part of its Agreement with NYPA for a long-term power contract with ALCOA, and

Whereas, the North Country Economic Development Fund Board is comprised of representation from Development Authority of the North Country, NYPA, Empire State Development, and the North Country Alliance to oversee the loan activity and fiscal oversight of the Fund on behalf of NYPA, and

Whereas, the Board Agreement outlines the roles and responsibilities of the Board Members in carrying out the objectives of the North Country Economic Development Fund, and

Whereas, NYPA wishes to extend the Board Agreement for an additional 10-year term.

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby authorize the Executive Director to execute the Board Agreement with the New York Power Authority, and be it further

RESOLVED, the Development Authority of the North Country does hereby appoint the Executive Director as its representative to the North Country Economic Development Fund Board, said agreement attached hereto and incorporated into this Resolution.

Motion by: D. Mastascusa
Seconded by: K. Bibbins

Bibbins – **Yes**
Doheny – **Yes**
Hall – **Absent**

Hefferon – **Yes**
Henry - **Present**
Hunt - **Present**

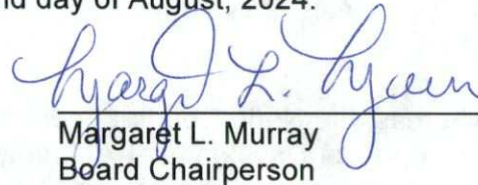
MacKinnon – **Yes**
McGrath – **Absent**
Mastascusa – **Yes**

Murray – **Yes**
Virkler – **Absent**

*- 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. 2024-08-60 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 22nd day of August, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 22nd day of August, 2024.


Margaret L. Murray
Board Chairperson

**AGREEMENT EXTENDING THE NORTH
COUNTRY ECONOMIC DEVELOPMENT FUND BOARD**

AGREEMENT EXTENDING THE NORTH COUNTRY ECONOMIC DEVELOPMENT FUND BOARD, as of June __, 2024 ("Effective Date"), by and among the POWER AUTHORITY OF THE STATE OF NEW YORK, having an office and principal place of business at 123 Main Street, White Plains, NY 10601, The North Country Alliance Local Development Corporation, having an office at 65 Main Street, Box 8561, Clarkson University, Potsdam, NY 13699-8561 ("NCA"), Empire State Development, having a place of business at Dulles State Office Building, Watertown, NY13601 ("ESD"), and the Development Authority of the North Country, having an Office at 317 Washington Street, Watertown, NY 13601 ("DANC") (collectively, the "Parties").

WHEREAS, the Parties are signatories to an agreement entitled North Country Economic Development Fund Board Agreement ("Board Agreement"), dated August 28, 2014;

WHEREAS, the Board Agreement provided for the creation of the North Country Economic Development Fund Board (the "Fund Board"), whose existence is scheduled to expire ten years from the date of the Board Agreement (August 28, 2014); and

WHEREAS, the Parties desire to extend the Fund Board's existence as provided for in this Agreement; and

WHEREAS, the Parties further desire to increase the amount of the annual administrative fee provided for in the Board Agreement from \$8,000 to \$10,000.

NOW, THEREFORE, in consideration of the promises made herein and other valuable consideration, the Parties agree as follows.

1. The Fund Board is extended to August 31, 2034, at which time it shall expire unless extended by written agreement of the Parties.
2. The amount of the annual administrative fee shall be \$10,000 and paid in accordance with Section 9.1 of the Board Agreement.
3. Except as expressly modified herein, all terms of the Fund Agreement shall remain unchanged and in full force and effect.
4. Either the original or copies, including facsimile transmissions, of this Agreement, may be executed in counterparts, each of which shall be an original as against any party whose signature appears on such counterpart and all of which together shall constitute one and the same instrument.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have executed this agreement effective the date first above written.

POWER AUTHORITY OF THE STATE OF NEW YORK

By: _____
Name: Eric S. Bowers
Title: Vice President, Customer Power Supply & Economic Development
Date: _____

THE NORTH COUNTRY ALLIANCE LOCAL DEVELOPMENT CORPORATION

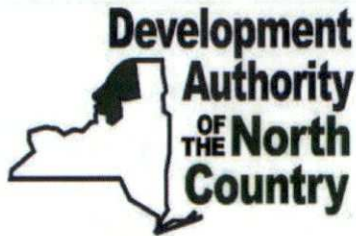
By: _____
Name: Eric Virkler
Title: Vice President
Date: _____

EMPIRE STATE DEVELOPMENT

By: _____
Name: Hope Knight
Title: President & CEO and Commissioner
Date: _____

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

By: _____
Name: Carl E. Farone Jr.
Title: Executive Director
Date: _____



Board Resolution No. 2024-08-61
August 22, 2024

NORTH COUNTRY REDEVELOPMENT LOAN FUND
ALEX MORGIA, OR NEW COMPANY TO BE FORMED
LOAN ASSUMPTION

Whereas, **Resolution No. 2015-08-91** established the North Country Redevelopment Fund, and

Whereas, the Regional Loan Review Committee can make commitments for loans up to \$250,000 and grants up to \$250,000 for a total combined grant/loan amount of \$500,000 with the Authority Board ratifying the request at its next meeting, and

Whereas, the Regional Loan Review Committee met August 12, 2024 to review an application from Alex Morgia requesting to assume the North Country Redevelopment Fund loan of Lawler Realty LLC, and

Whereas, **Resolution No. 2016-06-75** approved \$500,000 (\$250,000 grant/\$250,000 loan) to Lawler Realty LLC to renovate the former Madison Barracks Health Club building on Madison Barracks in order to provide additional services for the housing residents, marina, and hotel to enhance the destination located in Sackets Harbor (Jefferson County), and

Whereas, Mr. Morgia is purchasing the real estate from Lawler Realty LLC and will operate the facility as a spa and gym to complement the adjacent Marina Hotel that he is purchasing, and

Whereas, the balance on the loan is \$129,527.58, and

Whereas, Lawler Realty must repay to the Authority a portion of the grant per the recapture provision in the Grant Disbursement Agreement, and

Whereas, the Regional Loan Review Committee approves the assumption of the loan of Lawler Realty LLC by Alex Morgia, or a new company to be formed, at the terms and conditions attached.

Now, therefore be it

RESOLVED, Development Authority of the North Country does hereby ratify the assumption of the loan of Lawler Realty LLC by Alex Morgia, or a new company to be formed, of a North Country Redevelopment Grant/Loan 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 further be it

RESOLVED, Development Authority of the North Country releases Lawler Realty LLC, Creekside Lane Apartments LLC, Lawler Commercial Properties Inc.,

Madison Barracks Marina Inc., and Michael Lawler from any further obligations with the grant/loan subject to Lawler Realty LLC repaying the Authority a portion of the grant per the recapture provision identified in the Grant Disbursement Agreement.

Motion by: T. Hefferon

Seconded by: A. MacKinnon

Bibbins – **Yes**

Doheny – **Yes**

Hall – **Absent**

Hefferon – **Yes**

Henry - **Present**

Hunt - **Present**

MacKinnon – **Yes**

McGrath – **Absent**

Mastascusa – **Yes**

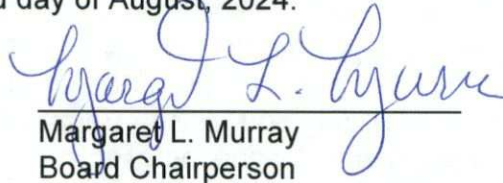
Murray – **Yes**

Virkler – **Absent**

*- 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. 2024-08-61 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 22nd day of August, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 22nd day of August, 2024.


Margaret L. Murray
Board Chairperson

TERM SHEET

Borrower: Alex Morgia, or new company to be formed

Loan Fund: North Country Redevelopment Loan Fund
[Empire State Development Funds]

Amount: outstanding balance on 8/5/2024 is \$129,527.58

Loan Term: loan matures 11/1/2031

Loan Rate: 1%

Loan Payment: monthly principal and interest payments of \$1,544.06

Collateral: first mortgage and assignment of rents and leases on 201
Vollum Road, Sackets Harbor, NY 13685 (parcel #81.77-1-
27.7)

Conditions: Personal Guaranty of Alex Morgia, corporate guaranty of
operating entity to be formed, if any.
Lawler Realty to repay DANC a portion of the grant per the
recapture provision in the Grant Disbursement Agreement

Development Authority of the North Country
August 13, 2024

BORROWER:	Alex Morgia, or New Company to be Formed
PERSONAL ADDRESS:	301 N. Morgia Drive, Sackets Harbor, NY 13685
PROJECT ADDRESS:	201 Vollum Road, Sackets Harbor, NY 13685 (parcel #81.77-1-27.7)
<hr/>	
PROGRAM:	North Country Redevelopment Fund
AMOUNT REQUESTED:	\$129,527.58 loan as of 8/5/2024
LOAN TERM:	Monthly principal and interest. Loan matures 11/1/2031
INTEREST RATE:	1%
PRIMARY COLLATERAL:	First mortgage on real estate located at 201 Vollum Road (parcel #81.77-1-27.7)
OWNERSHIP:	Alex Morgia – 100%
<hr/>	
GUARANTORS:	Alex Morgia and any operating company to be formed

SOURCES:		USES:	
DANC-Redevelopment Fund	<u>129,527</u>	Assume Loan	<u>129,527</u>
Total Sources	\$129,527	Total Uses	\$129,527

PROJECT OVERVIEW:

Alex Morgia is purchasing several properties from Lawler Realty LLC including the building located at 201 Vollum Road. He is requesting the ability to assume the Redevelopment Loan from Lawler Realty.

Lawler Realty received \$500,000 (\$250,000 loan/\$250,000 grant) from the Redevelopment Fund to renovate, upgrade and reopen the former Madison Barracks Health Club in partnership with the Watertown Family YMCA. The loan closed on October 19, 2016. The term is for 15 years at 1%. The current principal balance is \$129,527.58. There is also a 10-year declining recapture provision on the grant portion. Lawler Realty has held the property for 94 months which equates to a 30% recapture, or \$75,000. This will go down to 20% after October 19, 2024. The YMCA pulled out of the Sackets Harbor location in October 2022.

Alex Morgia owns several businesses in Sackets Harbor including the Harbor House Inn. He is also the mayor for the village. Mr. Morgia plans to purchase, in addition to this property, The Marina Inn & Suites located adjacent to this property. The Marina Inn & Suites includes a hotel, boating marina, and will incorporate the former YMCA building. Mr. Morgia plans to convert this property to a spa and fitness center which will complement the hotel and marina.

Development Authority of the North Country
August 13, 2024

The YMCA building already provides essential amenities to marina customers, including bathroom and shower facilities. It also houses two current tenants who offer dance and sports lessons for children. Once transformed, the spa will offer paid services and gym memberships, as well as space rentals for athletic lessons and activities. The gym will provide keyless access, while the spa will welcome walk-ins during set hours and appointments.

The primary market consists of tourists visiting Sackets Harbor, event attendees, and wedding guests. By keeping the hotel open year-round, Mr. Morgia can add weddings in the shoulder seasons. The new spa and gym will serve hotel and marina customers, as well as locals, offering premium services currently unavailable in the area.

Mr. Morgia faces competition from other accommodations, such as the 1000 Islands Harbor Hotel, as well as chain hotels in Watertown. However, the unique combination of historical charm, personalized service, and comprehensive amenities sets them apart. The strategic location, rebranding efforts, and commitment to high service standards are key factors in their success.



The Marina Inn & Suites operations will be managed by the same team that operates the Harbor House Inn. In his first year operating the hotel, he posted a profit of \$191,000. Mr. Morgia is on track to do 40% more than that this year. He has been able to leverage students and teachers in the summer to provide seasonal help. As he grows the shoulder seasons and winter stays, he will be able to add more full-time, year-round rolls.

The purchase price for the properties is \$2.2 million. Mr. Morgia will pay \$220,000 at closing and \$1,980,000 will be financed by the seller with a mortgage for a term of 5 years amortized over 25 years. Years 1-3 payments will be interest-only at 3.5% per year; years 4-5 principal and interest payments at a rate of 4.5% will be due. In speaking with Mike Campbell with Lawler Realty, Lawler

Realty will allow DANC to retain its first mortgage on the real estate. Lawler will hold a note on the remaining properties. While there is a recapture provision, Mr. Morgia is willing to assume this responsibility from the seller. He is going to invest in the properties and, ultimately, the building will be put to a good use consistent with the original intent of the funding which was to bring a blighted building back into productive use.

FINANCIAL ANALYSIS:

Income Statement

FYE December 31	Projected	Projected
	Year One	Year Two
Revenues	\$514,935	\$656,685
Expenses	\$288,480	\$277,732
Net Income	\$226,455	\$378,953
Add: Interest	\$67,000	\$52,000

Development Authority of the North Country
August 13, 2024

Cash Available for Debt Service	\$293,455	\$430,953
DANC Redevelopment Loan	\$18,529	\$18,529
Seller Financing	\$69,300	\$69,300
Total Permanent Loans	\$87,829	\$87,829
Debt Service Coverage Ratio	3.34	4.90

Seller Financing-Interest only first 36 months at 3.5%, \$5775/month
DANC Redevelopment Loan-15 years at 1%, \$1544.06/mo

- Assumptions based upon the first full year of operation.
- Projected revenue assumes:

Summer Hotel Style Rentals	\$ 365,310	\$ 365,310
Room Rate Average	\$ 275	\$ 275
Summer Season Length (days)	90	90
Occupancy Rate	82%	82%
Room Count	18	18
Winter Room Rentals	\$ 70,875	\$ 212,625
Room Rate Average	\$ 175	\$ 175
Winter Season Length (non-holiday)	225	225
Occupancy Rate	10%	30%
Room Count	18	18
Holiday / Wedding Weekend Rentals	\$ 78,750	\$ 78,750
Room Rate Average	\$ 250	\$ 250
Holiday & Winter Wedding Block	50	50
Occupancy Rate	35%	35%
Room Count	18	18

- He projects the occupancy rate to increase in the winter months due to high demand for fall & spring weddings. They have also taken over the Barracks Inn wedding venue next door to this facility, so they are able to competitively price full package weddings.
- Primary expenses include payroll of \$84,000 in years one and two; taxes of \$32,000 in years one and two; insurance of \$32,000 in years one and two; heat and electric of \$15,000 in years one and two; and credit card processing fees of \$15,480 in year one and \$19,732 in year two. The payroll accounts for 1.5 FTE (likely 2 part-time year-round and 6 part-time seasonal). Mr. Morgia will be sharing the positions of marketing and groundskeeper between the Marina Hotel and the Harbor Hotel which is less than a half mile down the road. He is basing his expenses for the Marina Hotel from his actual expenses for the Harbor Hotel.
- If projections hold true there is sufficient cash flow to repay the Authority's debt. Even in year 4 when the seller's note becomes regular P&I payments of \$11,005 per month. There would be sufficient cash to repay all debt.

Development Authority of the North Country
August 13, 2024

- It is likely the Applicant will look to refinance the project before the seller's note is due. There did not appear to be a prepayment penalty in the purchase agreement.

	At Closing
Current Assets	\$0
Fixed Assets	\$2,200,000
Total Asset	\$2,200,000
Current Liabilities	\$17,370
Long Term Liabilities	\$2,092,157
Total Liabilities	\$2,109,527
Equity	\$90,473
Total Equity and Liabilities	\$2,200,000

- The balance sheet assumes that the entire purchase price is going toward fixed assets. The applicant is purchasing 4 parcels which includes the subject parcel of the NCEDF funding.
- The current liability is the current portion of the Redevelopment Loan. The Seller loan is interest only in the first year.
- The long-term debt includes the Seller loan and Redevelopment Loan.
- While the applicant is paying \$220,000 in cash to the Seller at closing, the equity is reduced by assuming the Redevelopment Loan.

MANAGEMENT: Mr. Morgia lists \$9.7 million in assets and \$6.8 million in liabilities. Primary assets are in cash and other retirement accounts, and real estate of \$9.4 million. Liabilities are primarily mortgages of \$6.6 million. Mr. Morgia has a TransUnion credit score of 642 with no derogatory comments or public records. He shows total liabilities of \$119,576 with \$83,789 in revolving credit. He lists income of \$220,000 with real estate income of \$500,000.

COLLATERAL:

	Market	Discount
Building	\$346,800	
Discounted at 70%		\$242,760
DANC Redevelopment Loan (\$250,000 mortgage)	\$129,527	\$129,527
LTV :	37%	53%

An appraisal dated 6/13/2016 provided a fair market value of \$346,800 for the building prior to the improvements made in 2016. The current assessed value for the land is \$28,300 and the assessed value for the property is \$228,000 with a full market value of \$250,549 per the Jefferson County Real Property Records.

CONDITIONS:

- First mortgage on parcel #81.77-1-27.7
- Guaranty of Alex Morgia, and any operating entity to be formed
- Lawler Realty must repay a portion of the grant per the recapture provision in the Grant Disbursement Agreement.

STAFF RECOMMENDATION: Staff recommends the assumption of the loan by Alex Morgia with a new company to be formed at the terms and conditions described above. The Regional Loan

Development Authority of the North Country
August 13, 2024

Committee requires that Lawler Realty repay a portion of the grant per the recapture provision in the Grant Disbursement Agreement.



Board Resolution No. 2024-08-62
August 22, 2024

AUTHORIZING CONTINUED APPOINTMENT
CARL E. FARONE JR., EXECUTIVE DIRECTOR

Whereas, on July 22, 2020, the Board of Directors of the Development Authority of the North Country appointed Carl E. Farone Jr. to the position of Executive Director, and

Whereas, the Chairperson executed an employment contract with Carl E. Farone Jr. to serve as Executive Director for the period commencing August 1, 2020 to August 5, 2025, and

Whereas, the Development Authority of the North Country Board of Directors wish to continue the appointment of Carl E. Farone Jr. as Executive Director through August 5, 2029.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby authorize the continued appointment of Carl E. Farone Jr. as the Executive Director of the Development Authority of the North Country, and further be it

RESOLVED, that the Chairperson is authorized to negotiate and execute an employment contract with Carl E. Farone Jr. to serve as Executive Director of the Development Authority of the North Country through August 5, 2029; said contract to supersede the current contract.

Motion by: T. Hefferon

Seconded by: D. Mastascusa

Bibbins – **Yes**

Doheny – **Yes**

Hall – **Absent**

Hefferon – **Yes**

Henry - **Present**

Hunt - **Present**

MacKinnon – **Yes**

McGrath – **Absent**

Mastascusa – **Yes**

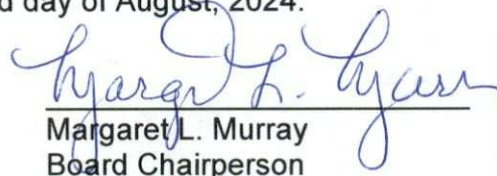
Murray – **Yes**

Virkler – **Absent**

*- 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. 2024-08-62 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 22nd day of August, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 22nd day of August, 2024.


Margaret L. Murray
Board Chairperson