



**Board Resolution No. 2024-12-82  
December 19, 2024**

**PUBLIC AUTHORITIES REPORTING INFORMATION SYSTEM (PARIS)  
FIVE YEAR BUDGET AND FINANCIAL PLAN FOR FYE 2026  
ANNUAL SUBMISSION**

Whereas, the Public Authorities Accountability Act requires Authorities to submit and publish a five-year budget projection and financial plan, and

Whereas, the five-year projection shall reflect the Authorities known, anticipated, and projected finances and incorporates its annual five-year capital improvement plan, and

Whereas, the five-year budget and financial plan is to be posted in PARIS no later than 90 days prior to the start of the fiscal year, and

Now, therefore be it

**RESOLVED**, the Development Authority of the North Country herewith authorizes and directs the Chief Financial Officer to submit the PARIS five year budget and financial plan for FYE 2026 as attached hereto and shall direct said plan to be posted to the Authority's website.

Motion by: M. Hall

Seconded by: K. Bibbins

Bibbins – **Yes**

Doheny – **Yes** \*

Hall – **Yes**

Hefferon – **Yes**

Henry - **Absent**

Hunt - **Present**

MacKinnon – **Yes**

McGrath – **Present** \*

Mastascusa – **Yes**

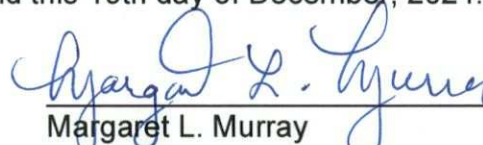
Murray – **Yes**

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. 2024-12-82 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 19th day of December, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 19th day of December, 2024.

  
Margaret L. Murray  
Board Chairperson

Budget Report for Development Authority of the North Country

Fiscal Year Ending: 03/31/2026

 Run Date: 12/12/2024  
 Status: UNSUBMITTED  
 Certified Date: N/A

**Budget & Financial Plan**
**Budgeted Revenues, Expenditures, And Changes in Current Net Assets.**

	Last Year (Actual) 2024	Current Year (Estimated) 2025	Next Year (Adopted) 2026	Proposed 2027	Proposed 2028	Proposed 2029
<b>REVENUE &amp; FINANCIAL SOURCES</b>						
<b>Operating Revenues</b>						
Charges For Services	\$22,114,807.00	\$27,464,999.00	\$30,140,833.00	\$31,771,597.00	\$32,381,382.00	\$32,461,264.00
Rental And Financing Income	\$458,660.00	\$701,839.00	\$701,839.00	\$701,839.00	\$701,839.00	\$701,839.00
Other Operating Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Non-Operating Revenues</b>						
Investment Earnings	\$2,982,457.00	\$2,376,901.00	\$2,112,975.00	\$2,112,975.00	\$2,112,975.00	\$2,112,975.00
State Subsidies/Grants	\$1,759,586.00	\$969,587.00	\$1,011,194.00	\$861,547.00	\$863,989.00	\$855,912.00
Federal Subsidies/Grants	\$94,473.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Municipal Subsidies/Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public Authority Subsidies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Nonoperating Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Proceeds From The Issuance Of Debt	\$14,330,338.00	\$5,459,708.00	\$2,143,230.00	\$0.00	\$0.00	\$0.00
<b>Total revenues and financing sources</b>	<b>\$41,740,321.00</b>	<b>\$36,973,034.00</b>	<b>\$36,110,071.00</b>	<b>\$35,447,958.00</b>	<b>\$36,060,185.00</b>	<b>\$36,131,990.00</b>
<b>EXPENDITURES</b>						
<b>Operating Expenditures</b>						
Salaries And Wages	\$10,784,553.00	\$11,722,399.00	\$12,315,649.00	\$12,685,118.00	\$13,065,672.00	\$13,457,642.00
Other Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Professional Services Contracts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Supplies And Materials	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Expenses	\$11,333,536.00	\$13,752,585.00	\$13,853,847.00	\$13,832,379.00	\$14,025,328.00	\$14,218,148.00
<b>Non-Operating Expenditures</b>						
Payment Of Principal On Bonds And Financing Arrangements	\$794,419.00	\$7,468,927.00	\$2,265,137.00	\$2,323,811.00	\$2,388,413.00	\$2,451,704.00
Interest And Other Financing Charges	\$859,958.00	\$1,324,177.00	\$973,916.00	\$914,974.00	\$854,373.00	\$789,413.00
Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Asset Outlay	\$22,212,649.00	\$14,629,319.00	\$40,715,839.00	\$24,285,480.00	\$19,498,901.00	\$5,312,022.00
Grants And Donations	\$0.00	\$43,750.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Other Nonoperating Expenses	\$0.00	\$300,000.00	\$225,000.00	\$125,000.00	\$125,000.00	\$125,000.00
<b>Total expenses</b>	<b>\$45,985,115.00</b>	<b>\$49,241,157.00</b>	<b>\$70,399,388.00</b>	<b>\$54,216,762.00</b>	<b>\$50,007,687.00</b>	<b>\$36,403,929.00</b>
Capital Contributions	\$5,759,957.00	\$13,622,346.00	\$35,316,014.00	\$21,241,654.00	\$17,089,888.00	\$3,613,812.00
<b>Excess (Deficiency) Of Revenues And Capital Contributions Over Expenses</b>	<b>\$1,515,163.00</b>	<b>\$1,354,223.00</b>	<b>\$1,026,697.00</b>	<b>\$2,472,850.00</b>	<b>\$3,142,386.00</b>	<b>\$3,341,873.00</b>

Budget Report for Development Authority of the North Country

Fiscal Year Ending: 03/31/2026

Run Date: 12/12/2024  
Status: UNSUBMITTED  
Certified Date: N/A

The authority's budget, as presented to the Board of Directors, is posted on the following website: <https://www.danc.org/annualreports-financials>

Additional Comments

## Consolidated (All Companies)

	FYE 2024 ACTUAL	FYE 2025 PROJECTED	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>						
Customer Billings	\$ 22,114,807	\$ 27,464,999	\$ 30,140,833	\$ 31,771,597	\$ 32,381,382	\$ 32,461,264
Deferred Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 2,982,457	\$ 2,376,901	\$ 2,112,975	\$ 2,112,975	\$ 2,112,975	\$ 2,112,975
Loan Interest Income	\$ 458,660	\$ 701,839	\$ 701,839	\$ 701,839	\$ 701,839	\$ 701,839
Grant Income	\$ 1,854,059	\$ 969,587	\$ 1,011,194	\$ 861,547	\$ 863,989	\$ 855,912
Proceeds for the Issuance of Debt	\$ 14,330,338	\$ 5,459,708	\$ 2,143,230	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 41,740,321</b>	<b>\$ 36,973,034</b>	<b>\$ 36,110,071</b>	<b>\$ 35,447,958</b>	<b>\$ 36,060,185</b>	<b>\$ 36,131,990</b>
<b>OPERATING EXPENSES</b>						
Personnel	\$ 10,784,553	\$ 11,722,399	\$ 12,315,649	\$ 12,685,118	\$ 13,065,672	\$ 13,457,642
Operations & Maintenance	\$ 9,204,661	\$ 11,139,083	\$ 11,322,875	\$ 11,504,566	\$ 11,689,486	\$ 11,877,697
Host Community Benefits	\$ 1,038,624	\$ 1,189,089	\$ 1,210,743	\$ 1,001,292	\$ 1,011,305	\$ 1,021,418
Administration	\$ 1,118,077	\$ 3,917,942	\$ 4,020,116	\$ 4,085,992	\$ 4,153,040	\$ 4,221,284
Contingency	\$ -	\$ 40,730	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Bad Debt	\$ (27,826)	\$ -	\$ -	\$ -	\$ -	\$ -
Admin Offset	\$ -	\$ (2,534,259)	\$ (2,759,886)	\$ (2,819,471)	\$ (2,888,504)	\$ (2,962,250)
<b>Total Operating Expenses</b>	<b>\$ 22,118,089</b>	<b>\$ 25,474,984</b>	<b>\$ 26,169,495</b>	<b>\$ 26,517,497</b>	<b>\$ 27,090,999</b>	<b>\$ 27,675,790</b>
<b>NON OPERATING EXP</b>						
Principal Payments	\$ 794,419	\$ 7,468,927	\$ 2,265,137	\$ 2,323,811	\$ 2,388,413	\$ 2,451,704
Interest Expense	\$ 859,958	\$ 1,324,177	\$ 973,916	\$ 914,974	\$ 854,373	\$ 789,413
Bond Trustee Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants & Donations	\$ -	\$ 43,750	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Other Non-Operating Expenses	\$ -	\$ 300,000	\$ 225,000	\$ 125,000	\$ 125,000	\$ 125,000
Capital Asset Outlay	\$ 22,212,649	\$ 14,629,319	\$ 40,715,839	\$ 24,285,480	\$ 19,498,901	\$ 5,312,022
<b>Total Expenditures</b>	<b>\$ 45,985,115</b>	<b>\$ 49,241,157</b>	<b>\$ 70,399,387</b>	<b>\$ 54,216,762</b>	<b>\$ 50,007,686</b>	<b>\$ 36,403,929</b>
<b>Capital Contributions</b>	<b>\$ 5,759,957</b>	<b>\$ 13,622,346</b>	<b>\$ 35,316,014</b>	<b>\$ 21,241,654</b>	<b>\$ 17,089,888</b>	<b>\$ 3,613,812</b>
<b>Excess</b>	<b>\$ 1,515,163</b>	<b>\$ 1,354,223</b>	<b>\$ 1,026,698</b>	<b>\$ 2,472,851</b>	<b>\$ 3,142,387</b>	<b>\$ 3,341,873</b>

## Administration

	FYE 2025 PROJECTED	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>					
Customer Billings	\$ 283,200	\$ 339,700	\$ 344,700	\$ 349,700	\$ 354,700
Deferred Income					
Interest Income	\$ 301,595	\$ 354,667	\$ 354,667	\$ 354,667	\$ 354,667
Loan Interest Income					
Grant Income	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds for the Issuance of Debt					
<b>Total Revenue</b>	<b>\$ 584,795</b>	<b>\$ 694,367</b>	<b>\$ 699,367</b>	<b>\$ 704,367</b>	<b>\$ 709,367</b>
<b>OPERATING EXPENSES</b>					
Personnel	\$ 2,152,349	\$ 2,216,919	\$ 2,283,427	\$ 2,351,930	\$ 2,422,488
Operations & Maintenance	\$ 431,550	\$ 440,181	\$ 448,985	\$ 457,964	\$ 467,124
Host Community Benefits	\$ -				
Administration	\$ 189,851	\$ 193,648	\$ 197,521	\$ 201,471	\$ 205,501
Contingency	\$ 14,750				
Bad Debt	\$ -				
Admin Offset	\$ (2,534,259)	\$ (2,759,886)	\$ (2,819,471)	\$ (2,888,504)	\$ (2,962,250)
<b>Total Operating Expenses</b>	<b>\$ 254,241</b>	<b>\$ 90,862</b>	<b>\$ 110,462</b>	<b>\$ 122,862</b>	<b>\$ 132,862</b>
<b>NON OPERATING EXP</b>					
Principal Payments	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Trustee Fees					
Grants & Donations					
Other Non-Operating Expenses					
Capital Asset Outlay	\$ 80,669	\$ 502,456	\$ 381,462	\$ 371,256	\$ 351,210
<b>Total Expenditures</b>	<b>\$ 384,910</b>	<b>\$ 643,318</b>	<b>\$ 541,924</b>	<b>\$ 544,118</b>	<b>\$ 534,072</b>
<b>Capital Contributions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess</b>	<b>\$ 199,885</b>	<b>\$ 51,049</b>	<b>\$ 157,443</b>	<b>\$ 160,249</b>	<b>\$ 175,295</b>

## Solid Waste

	PROJECTED FYE 2025	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>					
Customer Billings	\$ 9,885,935	10,809,040	\$ 11,133,311	\$ 11,467,311	\$ 11,811,330
Deferred Income					
Interest Income	\$ 1,138,309	\$ 821,311	\$ 821,311	\$ 821,311	\$ 821,311
Loan Interest Income	\$ -				
Grant Income	\$ 150,351	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Proceeds for the Issuance of Debt	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 11,174,595</b>	<b>\$ 11,660,351</b>	<b>\$ 11,984,622</b>	<b>\$ 12,318,622</b>	<b>\$ 12,662,641</b>
<b>OPERATING EXPENSES</b>					
Personnel	\$ 2,686,990	\$ 2,767,600	\$ 2,850,628	\$ 2,936,147	\$ 3,024,231
Operations & Maintenance	\$ 4,645,627	\$ 4,692,083	\$ 4,739,004	\$ 4,786,394	\$ 4,834,258
Host Community Benefits	\$ 981,563	\$ 991,379	\$ 1,001,292	\$ 1,011,305	\$ 1,021,418
Administration	\$ 1,438,204	\$ 1,452,586	\$ 1,467,112	\$ 1,481,783	\$ 1,496,601
Contingency	\$ 980	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Bad Debt	\$ -				
Admin Offset	\$ -				
<b>Total Operating Expenses</b>	<b>\$ 9,753,364</b>	<b>\$ 9,938,648</b>	<b>\$ 10,093,036</b>	<b>\$ 10,250,629</b>	<b>\$ 10,411,508</b>
<b>NON OPERATING EXP</b>					
Principal Payments	\$ 575,000	\$ 600,000	\$ 625,000	\$ 655,000	\$ 680,000
Interest Expense	\$ 582,200	\$ 558,369	\$ 533,169	\$ 507,244	\$ 480,369
Bond Trustee Fees		\$ -	\$ -	\$ -	\$ -
Grants & Donations					
Other Non-Operating Expenses	\$ -				
Capital Asset Outlay	\$ 4,346,667	\$ 15,974,674	\$ 6,056,654	\$ 17,089,888	\$ 3,613,812
<b>Total Expenditures</b>	<b>\$ 15,257,231</b>	<b>\$ 27,071,690</b>	<b>\$ 17,307,859</b>	<b>\$ 28,502,761</b>	<b>\$ 15,185,690</b>
<b>Capital Contributions</b>	<b>\$ 4,346,667</b>	<b>\$ 15,974,674</b>	<b>\$ 6,056,654</b>	<b>\$ 17,089,888</b>	<b>\$ 3,613,812</b>
<b>Excess</b>	<b>\$ 264,031</b>	<b>\$ 563,335</b>	<b>\$ 733,417</b>	<b>\$ 905,749</b>	<b>\$ 1,090,763</b>

## Telecommunications

	FYE 2025 PROJECTED	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>					
Customer Billings	\$ 6,702,245	\$ 7,369,267	\$ 7,992,960	\$ 8,622,890	\$ 8,709,669
Deferred Income	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 269,397	\$ 269,397	\$ 269,397	\$ 269,397	\$ 269,397
Grant Income					
Proceeds for the Issuance of Debt	\$ -				
<b>Total Revenue</b>	<b>\$ 6,971,642</b>	<b>\$ 7,638,664</b>	<b>\$ 8,262,357</b>	<b>\$ 8,892,287</b>	<b>\$ 8,979,066</b>
<b>OPERATING EXPENSES</b>					
Personnel	\$ 2,310,949	\$ 2,450,277	\$ 2,523,786	\$ 2,599,499	\$ 2,677,484
Operations & Maintenance	\$ 2,302,554	\$ 2,348,605	\$ 2,395,577	\$ 2,443,489	\$ 2,492,358
Host Community Benefits	\$ -				
Administration	\$ 930,344	\$ 948,951	\$ 967,930	\$ 987,288	\$ 1,007,034
Contingency	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bad Debt	\$ -				
Admin Offset	\$ -				
<b>Total Operating Expenses</b>	<b>\$ 5,568,847</b>	<b>\$ 5,772,833</b>	<b>\$ 5,912,293</b>	<b>\$ 6,055,277</b>	<b>\$ 6,201,877</b>
<b>NON OPERATING EXP</b>					
Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Trustee Fees					
Grants & Donations					
Other Non-Operating Expenses					
Capital Asset Outlay	\$ 4,996,188	\$ 21,262,398	\$ 1,472,000	\$ 1,435,000	\$ 1,335,000
<b>Total Expenditures</b>	<b>\$ 10,565,035</b>	<b>\$ 27,035,232</b>	<b>\$ 7,384,293</b>	<b>\$ 7,490,277</b>	<b>\$ 7,536,877</b>
<b>Capital Contributions</b>	<b>\$ 3,378,090</b>	<b>\$ 19,243,359</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess</b>	<b>\$ (215,303)</b>	<b>\$ (153,208)</b>	<b>\$ 878,064</b>	<b>\$ 1,402,010</b>	<b>\$ 1,442,189</b>

## Army Sewer Line

	FYE 2025 PROJECTED	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>					
Customer Billings	\$ 4,074,140	\$ 4,334,395	\$ 4,928,988	\$ 4,946,879	\$ 4,465,184
Deferred Income	\$ -				
Interest Income	\$ 39,800	\$ 39,800	\$ 39,800	\$ 39,800	\$ 39,800
Loan Interest Income	\$ -				
Grant Income	\$ -				
Proceeds for the Issuance of Debt	\$ 4,174,907	\$ 2,143,230			
<b>Total Revenue</b>	<b>\$ 8,288,847</b>	<b>\$ 6,517,425</b>	<b>\$ 4,968,788</b>	<b>\$ 4,986,679</b>	<b>\$ 4,504,984</b>
<b>OPERATING EXPENSES</b>					
Personnel	\$ 891,192	\$ 917,928	\$ 945,466	\$ 973,830	\$ 1,003,044
Operations & Maintenance	\$ 1,793,606	\$ 1,829,478	\$ 1,866,068	\$ 1,903,389	\$ 1,941,457
Host Community Benefits	\$ -				
Administration	\$ 552,638	\$ 563,691	\$ 574,965	\$ 586,464	\$ 598,193
Contingency	\$ -				
Bad Debt	\$ -				
Admin Offset	\$ -				
<b>Total Operating Expenses</b>	<b>\$ 3,237,436</b>	<b>\$ 3,311,097</b>	<b>\$ 3,386,498</b>	<b>\$ 3,463,682</b>	<b>\$ 3,542,694</b>
<b>NON OPERATING EXP</b>					
Principal Payments	\$ 497,103	\$ 950,290	\$ 950,290	\$ 950,290	\$ 950,290
Interest Expense	\$ 329,401	\$ -			
Bond Trustee Fees					
Grants & Donations					
Other Non-Operating Expenses	\$ 50,000				
Capital Asset Outlay	\$ 4,226,677	\$ 2,256,039	\$ 632,000	\$ 572,707	\$ 12,000
<b>Total Expenditures</b>	<b>\$ 8,340,617</b>	<b>\$ 6,517,425</b>	<b>\$ 4,968,788</b>	<b>\$ 4,986,679</b>	<b>\$ 4,504,984</b>
<b>Capital Contributions</b>	<b>\$ 51,770</b>				
<b>Excess</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (0)</b>

## Army Water Line

	FYE 2025 PROJECTED	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>					
Customer Billings	\$ 3,006,989	\$ 3,700,695	\$ 3,688,384	\$ 3,212,975	\$ 3,237,152
Deferred Income					
Interest Income	\$ 21,700	\$ 21,700	\$ 21,700	\$ 21,700	\$ 21,700
Loan Interest Income					
Grant Income					
Proceeds for the Issuance of Debt	\$ 1,159,801				
<b>Total Revenue</b>	<b>\$ 4,188,490</b>	<b>\$ 3,722,395</b>	<b>\$ 3,710,084</b>	<b>\$ 3,234,675</b>	<b>\$ 3,258,852</b>
<b>OPERATING EXPENSES</b>					
Personnel	\$ 831,012	\$ 855,942	\$ 881,621	\$ 908,069	\$ 935,311
Operations & Maintenance	\$ 987,862	\$ 1,007,619	\$ 1,027,772	\$ 1,048,327	\$ 1,069,294
Host Community Benefits	\$ -				
Administration	\$ 283,578	\$ 289,250	\$ 295,035	\$ 300,935	\$ 306,954
Contingency	\$ -				
Bad Debt	\$ -				
Admin Offset	\$ -				
<b>Total Operating Expenses</b>	<b>\$ 2,102,452</b>	<b>\$ 2,152,811</b>	<b>\$ 2,204,427</b>	<b>\$ 2,257,332</b>	<b>\$ 2,311,559</b>
<b>NON OPERATING EXP</b>					
Principal Payments	\$ 6,262,117	\$ 579,626	\$ 610,256	\$ 641,701	\$ 676,416
Interest Expense	\$ 364,120	\$ 367,668	\$ 337,037	\$ 305,593	\$ 270,877
Bond Trustee Fees					
Grants & Donations					
Other Non-Operating Expenses	\$ 50,000				
Capital Asset Outlay	\$ 822,119	\$ 720,272	\$ 15,743,364	\$ 30,050	\$ -
<b>Total Expenditures</b>	<b>\$ 9,600,808</b>	<b>\$ 3,820,377</b>	<b>\$ 18,895,084</b>	<b>\$ 3,234,675</b>	<b>\$ 3,258,852</b>
<b>Capital Contributions</b>	<b>\$ 5,845,819</b>	<b>\$ 97,981</b>	<b>\$ 15,185,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess</b>	<b>\$ 433,501</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (0)</b>

## Regional Water Line

	FYE 2025 PROJECTED	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>					
Customer Billings	\$ 416,090	\$ 406,906	\$ 415,462	\$ 424,265	\$ 433,608
Deferred Income					
Interest Income	\$ 22,700	\$ 22,700	\$ 22,700	\$ 22,700	\$ 22,700
Loan Interest Income					
Grant Income					
Proceeds for the Issuance of Debt	\$ 125,000				
<b>Total Revenue</b>	<b>\$ 563,790</b>	<b>\$ 429,606</b>	<b>\$ 438,162</b>	<b>\$ 446,965</b>	<b>\$ 456,308</b>
<b>OPERATING EXPENSES</b>					
Personnel	\$ 52,407	\$ 53,979	\$ 55,599	\$ 57,267	\$ 58,985
Operations & Maintenance	\$ 209,125	\$ 215,399	\$ 221,861	\$ 228,517	\$ 235,372
Host Community Benefits					
Administration	\$ 26,595	\$ 27,127	\$ 27,669	\$ 28,223	\$ 28,787
Contingency					
Bad Debt					
Admin Offset					
<b>Total Operating Expenses</b>	<b>\$ 288,127</b>	<b>\$ 296,505</b>	<b>\$ 305,129</b>	<b>\$ 314,006</b>	<b>\$ 323,144</b>
<b>NON OPERATING EXP</b>					
Principal Payments	\$ 84,707	\$ 85,221	\$ 88,266	\$ 91,423	\$ 94,998
Interest Expense	\$ 48,456	\$ 47,879	\$ 44,768	\$ 41,537	\$ 38,166
Bond Trustee Fees					
Grants & Donations					
Other Non-Operating Expenses					
Capital Asset Outlay	\$ 125,000				
<b>Total Expenditures</b>	<b>\$ 546,290</b>	<b>\$ 429,606</b>	<b>\$ 438,162</b>	<b>\$ 446,965</b>	<b>\$ 456,308</b>
<b>Capital Contributions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess</b>	<b>\$ 17,500</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 0</b>

## Water Sewer Contracts

	FYE 2025 PROJECTED	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>					
Customer Billings	\$ 2,170,980	\$ 2,236,109	\$ 2,303,192.68	\$ 2,372,288.46	\$ 2,443,457.12
Deferred Income					
Interest Income					
Loan Interest Income					
Grant Income					
Proceeds for the Issuance of Debt					
<b>Total Revenue</b>	<b>\$ 2,170,980</b>	<b>\$ 2,236,109</b>	<b>\$ 2,303,193</b>	<b>\$ 2,372,288</b>	<b>\$ 2,443,457</b>
<b>OPERATING EXPENSES</b>					
Personnel	\$ 1,693,456	\$ 1,744,260	\$ 1,796,587	\$ 1,850,485	\$ 1,906,000
Operations & Maintenance	\$ 372,143	\$ 379,586	\$ 387,178	\$ 394,922	\$ 402,820
Host Community Benefits					
Administration	\$ 103,822	\$ 105,898	\$ 108,016	\$ 110,176	\$ 112,380
Contingency					
Bad Debt					
Admin Offset					
<b>Total Operating Expenses</b>	<b>\$ 2,169,421</b>	<b>\$ 2,229,744</b>	<b>\$ 2,291,781</b>	<b>\$ 2,355,583</b>	<b>\$ 2,421,200</b>
<b>NON OPERATING EXP</b>					
Principal Payments					
Interest Expense					
Bond Trustee Fees					
Grants & Donations					
Other Non-Operating Expenses					
Capital Asset Outlay					
<b>Total Expenditures</b>	<b>\$ 2,169,421</b>	<b>\$ 2,229,744</b>	<b>\$ 2,291,781</b>	<b>\$ 2,355,583</b>	<b>\$ 2,421,200</b>
<b>Capital Contributions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess</b>	<b>\$ 1,559</b>	<b>\$ 6,365</b>	<b>\$ 11,412</b>	<b>\$ 16,705</b>	<b>\$ 22,257</b>

## Regional Development

	FYE 2025 PROJECTED	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>					
Customer Billings	\$ 282,085	\$ 282,085	\$ 282,085.00	\$ 282,085.00	\$ 282,085.00
Deferred Income					
Interest Income	\$ 583,400	\$ 583,400	\$ 583,400	\$ 583,400	\$ 583,400
Loan Interest Income	\$ 701,839	\$ 701,839	\$ 701,839	\$ 701,839	\$ 701,839
Grant Income	\$ 819,236	\$ 981,194	\$ 831,547	\$ 833,989	\$ 825,912
Proceeds for the Issuance of Debt					
<b>Total Revenue</b>	<b>\$ 2,386,560</b>	<b>\$ 2,548,518</b>	<b>\$ 2,398,871</b>	<b>\$ 2,401,313</b>	<b>\$ 2,393,236</b>
<b>OPERATING EXPENSES</b>					
Personnel	\$ 655,656	\$ 846,903	\$ 872,310	\$ 898,480	\$ 925,434
Operations & Maintenance	\$ 312,045	\$ 323,661	\$ 330,134	\$ 336,737	\$ 343,472
Host Community Benefits	\$ 207,526	\$ 219,364		\$ -	\$ -
Administration	\$ 287,278	\$ 331,220	\$ 337,844.85	\$ 344,601.75	\$ 351,493.78
Contingency					
Bad Debt					
Admin Offset					
<b>Total Operating Expenses</b>	<b>\$ 1,462,505</b>	<b>\$ 1,721,149</b>	<b>\$ 1,540,289</b>	<b>\$ 1,579,818</b>	<b>\$ 1,620,399</b>
<b>NON OPERATING EXP</b>					
Principal Payments					
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Trustee Fees					
Grants & Donations	\$ 43,750	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Other Non-Operating Expenses	\$ 200,000	\$ 225,000	\$ 125,000	\$ 125,000	\$ 125,000
Capital Asset Outlay	\$ 32,000				
<b>Total Expenditures</b>	<b>\$ 1,738,255</b>	<b>\$ 1,996,149</b>	<b>\$ 1,715,289</b>	<b>\$ 1,754,818</b>	<b>\$ 1,795,399</b>
<b>Capital Contributions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess</b>	<b>\$ 648,305</b>	<b>\$ 552,369</b>	<b>\$ 683,582</b>	<b>\$ 646,495</b>	<b>\$ 597,837</b>

## Engineering

	FYE 2025 PROJECTED	Proposed Budget FYE 2026	Proposed Budget FYE 2027	Proposed Budget FYE 2028	Proposed Budget FYE 2029
<b>REVENUE:</b>					
Customer Billings	\$ 643,335	\$ 662,635	\$ 682,514	\$ 702,990	\$ 724,079
Deferred Income					
Interest Income					
Loan Interest Income					
Grant Income					
Proceeds for the Issuance of Debt					
<b>Total Revenue</b>	<b>\$ 643,335</b>	<b>\$ 662,635</b>	<b>\$ 682,514</b>	<b>\$ 702,990</b>	<b>\$ 724,079</b>
<b>OPERATING EXPENSES</b>					
Personnel	\$ 448,388	\$ 461,840	\$ 475,695	\$ 489,966	\$ 504,665
Operations & Maintenance	\$ 84,571	\$ 86,262	\$ 87,988	\$ 89,747	\$ 91,542
Host Community Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$ 105,632	\$ 107,745	\$ 109,900	\$ 112,098	\$ 114,339
Contingency	\$ -				
Bad Debt	\$ -				
Admin Offset	\$ -				
<b>Total Operating Expenses</b>	<b>\$ 638,591</b>	<b>\$ 655,847</b>	<b>\$ 673,582</b>	<b>\$ 691,811</b>	<b>\$ 710,546</b>
<b>NON OPERATING EXP</b>					
Principal Payments					
Interest Expense					
Bond Trustee Fees					
Grants & Donations					
Other Non-Operating Expenses					
Capital Asset Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 638,591</b>	<b>\$ 655,847</b>	<b>\$ 673,582</b>	<b>\$ 691,811</b>	<b>\$ 710,546</b>
<b>Capital Contributions</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess</b>	<b>\$ 4,744</b>	<b>\$ 6,788</b>	<b>\$ 8,932</b>	<b>\$ 11,179</b>	<b>\$ 13,533</b>



**Board Resolution No. 2024-12-83**  
**December 19, 2024**

**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 multi-year Southern Expansion Landfill Gas Phase 1 – 2 Tie In capital project budget for FY 2024. Such project was authorized to complete improvements to the landfill gas system including the design and construction of additional vertical wells within Cells 1-11 (Phase 1) to maximize Landfill Gas (LFG) production and collection; 2) complete an alternative analysis for the replacement of the existing LFG flare as the current flare had reached the end of its useful life and the replacement must be sized to provide service to Cells 12-20 (Phase 2) (Project 20212), and

Whereas, pursuant to **Resolution No. 2023-09-68** the Southern Expansion Landfill Gas Phase 1 – 2 Tie In (Project 20212) was increased to \$990,000 based upon contractor bid pricing to complete vertical well installation, and

Whereas, pursuant to **Resolution No. 2024-02-07** the Southern Expansion Landfill Gas Phase 1 – 2 Tie In (Project 20212) was increased to \$4,120,000 to address improvements identified during the alternative analysis of the LFG Flare replacement, and

Whereas, the Development Authority retained a consulting engineer to design such project, and

Whereas, the project was competitively bid under two separate contracts, Contract 2A – General Construction and Contract 2B – Electrical Construction, consistent with the Authority's procurement process, and

Whereas, three bids were received for Contract 2A with the lowest bid from Mohawk Valley Materials, Inc. in the amount of \$2,578,387.65, and

Whereas, three bids were received for Contract 2B with the lowest bid from ENI Mechanical, Inc. in the amount of \$342,690.00, and

Whereas, the revised project costs to complete improvements as specified above is \$5,225,000; which includes consulting engineering costs of \$354,500, construction costs of \$4,577,172.81 and a 10% construction contingency of the work to be completed, and

Whereas, Development Authority held reserves for Materials Management are sufficient to fund such increased project costs, and

Whereas, Executive Management recommends that the Development Authority award to the lowest responsive and responsible bidders,

Now, therefore be it

**RESOLVED**, that the Development Authority of the North Country does hereby amend the Materials Management Division Capital Budget for the FY 2025 Southern Expansion Landfill Gas Phase 1 and Phase 2 Tie In (Project 20212) to increase the budget from \$4,120,000 to \$5,225,000, and be it further

**RESOLVED**, that the Development Authority of the North Country shall transfer \$1,105,000 from the Liner Reserve to the Replacement Reserve to fund the increased costs associated with the Southern Expansion Landfill Gas Phase 1 and Phase 2 Tie In Project, and be it further

**RESOLVED**, such project will continue to be funded from the Replacement Reserve.

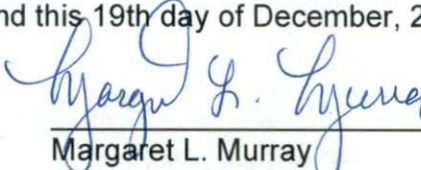
Motion by: D. Mastascusa  
Seconded by: A. MacKinnon

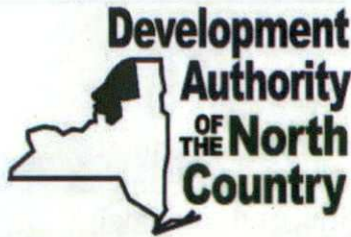
Bibbins – <b>Yes</b>	Hefferon – <b>Yes</b>	MacKinnon – <b>Yes</b>	Murray – <b>Yes</b>
Doheny – <b>Yes</b> *	Henry - <b>Absent</b>	McGrath – <b>Present</b> *	Virkler – <b>Absent</b>
Hall – <b>Yes</b>	Hunt - <b>Present</b>	Mastascusa – <b>Yes</b>	

\*- 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. 2024-12-83 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 19th day of December, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 19th day of December, 2024.

  
\_\_\_\_\_  
Margaret L. Murray  
Board Chairperson



**Board Resolution No. 2024-12-84**  
**December 19, 2024**

**HOUSING REVOLVING LOAN FUND**  
**CLAYTON IMPROVEMENT ASSOCIATION LTD**  
**LOAN #2**

Whereas, **Resolution No. 2024-06-54** approved a loan of \$400,000 from the Economic Development Fund to the Clayton Improvement Association LTD (CIA) to bridge an NBRC Catalyst Grant of \$500,000 and NY Main Street Stabilization grant of \$400,000 used to complete hazardous materials abatement of a blighted building in downtown LaFargeville, Jefferson County. Such commitment was contingent upon a loan from Watertown Saving Bank in the amount of \$400,000, and

Whereas, CIA has now transitioned into phase II of the project to complete the renovation of the building and requires additional construction funding, and

Whereas, the bank will not lend additional funds for construction but will keep its \$400,000 loan in the project until such time as cash flow from grant reimbursements can repay the loan down to \$200,000 which will become a permanent loan in the project, and

Whereas, the CIA is requesting a loan of up to \$1,200,000 from the Housing Revolving Loan Fund and that the Authority extend the term of the \$400,000 loan from the Economic Development Fund to bridge \$2,863,830 in grant sources to complete the redevelopment of the building, and

Whereas, the project will create 4 market rate apartments in LaFargeville, and

Whereas, this is a transformational project for LaFargeville and will be a good use for the HRLF funds to see this project to completion, and

Whereas, the CIA is a 501(c)(3) not for profit organization, and

Whereas, the CIA meets the criteria of the Housing Revolving Loan Fund, and

Whereas, the grant funds will be used to repay the Authority loan.

Now, therefore be it

**RESOLVED**, Development Authority of the North Country does hereby authorize a loan in the amount of up to \$1,200,000 from the Housing Revolving Loan Fund to Clayton Improvement Association LTD 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 does hereby extend the term of the \$400,000 loan from the Economic Development Fund to Clayton Improvement Association LTD for an additional 24 months, or upon receipt of the final grant proceeds, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to extend such 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: M. Hall

Seconded by: D. Mastascusa

Bibbins – **Yes**

Doheny – **Yes** \*

Hall – **Yes**

Hefferon – **Yes**

Henry - **Absent**

Hunt - **Present**

MacKinnon – **Yes**

McGrath – **Present** \*

Mastascusa – **Yes**

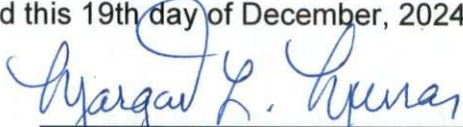
Murray – **Yes**

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. 2024-12-84 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 19th day of December, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 19th day of December, 2024.

  
Margaret L. Murray  
Board Chairperson

## TERM SHEET

Borrower: Clayton Improvement Association

Loan Fund: Housing Revolving Loan Fund

Amount: up to \$1,200,000.00

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

Loan Rate:  $\frac{1}{2}$  Wall Street Journal Prime Plus 1 set at closing

Loan Payment: Monthly interest only payments

Collateral: Co-proportional first mortgage and assignment of rents and  
leases with Watertown Savings Bank on real estate.

Conditions: Watertown Savings Bank construction financing of \$400,000  
Watertown Savings Bank permanent financing of \$200,000

## Housing Revolving Loan Fund

**BORROWER:** Clayton Improvement Association, Ltd.

**BUSINESS LOCATION:** 913 Strawberry Lane, Clayton, NY 13624

**PROJECT LOCATION:** 36323-36331 NYS Route 180, LaFargeville, NY  
[parcel #32.15-1-24]

**OWNERSHIP:** 501 C 3 not for profit

**OFFICERS:**

Michael Pavlot	President
Megan Kendall	Vice President
Jack Burke	Treasurer
Elizabeth Daugherty	Secretary

**AMOUNT:** \$1,200,000.00

**TERM:** Construction loan, 24 months, or upon receipt of the final grant proceeds, whichever occurs first

**RATE:** ½ Wall Street Journal Prime Plus 1 fixed at closing (4.875% as of 12/5/2024)

**PAYMENTS:** Interest Only

**COLLATERAL:** Co-proportional first mortgage with Watertown Savings Bank

**GUARANTORS:** None

**USE OF FUNDS:** Construction loan to redevelop blighted building

**SOURCES OF FUNDS**

NBRC Catalyst Grant	\$500,000
NY Main Street Stabilization Grant	\$400,000
RESTORE NY	\$1,100,000
National Grid	\$100,000
NYS SRDI	\$763,830
Watertown Savings Bank	\$200,000
Owner Cash	\$351,315
<b>Total Sources</b>	<b>\$3,415,145</b>

**USES OF FUNDS**

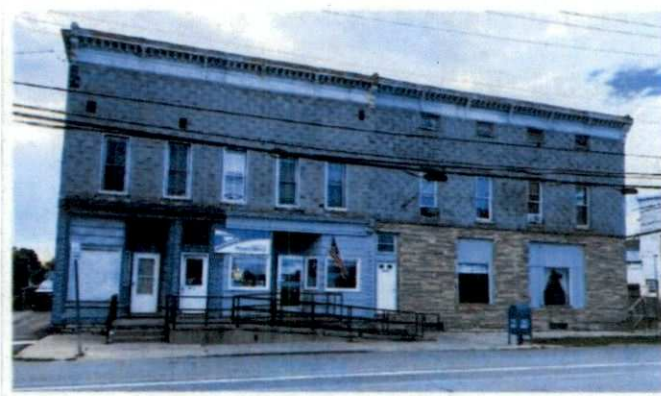
General Construction	\$3,021,107
Design	\$ 139,650
Permitting	\$ 19,988
Construction Oversight	\$ 109,400
Appliances	\$ 30,000
Post Office Relocation	\$ 10,000
Admin & Legal Costs	\$ 10,000
Financing Cost	<u>\$ 75,000</u>
<b>Total Uses</b>	<b>\$3,415,145</b>

Watertown Savings Bank-Construction Loan-\$400,000-committed  
 DANC-Construction Loan-EDF-\$400,000-committed  
 All grant sources have been committed.

## Housing Revolving Loan Fund

### PROJECT:

The Clayton Improvement Association (CIA) is requesting an additional \$1.2 million from the Authority for construction financing to complete its project in downtown LaFargeville. The Authority and Watertown Savings Bank each provided \$400,000 (\$800,000 total) in construction financing to complete hazardous materials abatement and debris removal at the project located in LaFargeville. This was considered phase one of the project. The Authority/Bank funds were used to bridge NYS grant funding.



At the time of the approval in June, it was mentioned that the borrower would need further construction funding to complete the project, however there were still gaps in the project funding. Clayton Improvement Association has subsequently filled the funding gap receiving NYS SRDI (Small Rental Development Initiative) funding of \$763,830 and a commitment from Watertown Savings Bank to leave \$200,000 in the project as a permanent mortgage. The balance of the cash needed, \$351,315, will come from the Clayton Improvement Association, however they are still looking for additional grant sources to bring their contribution down.

CIA purchased the proposed project site in 2019. As a NYS Rural Preservation Company whose mission is to preserve rural communities, the organization purchased the building due to the location, the condition, and the potential of the building.

The building is centrally located in a small agricultural community, directly in the center of the main street with immediate proximity to the important community pillars, such as the school, the Post Office, and the feed store. The community is located a convenient distance from a major highway and 20 minutes from Fort Drum, making the community a desirable location. HP Hood is a major employer in the community.



The building is in poor condition after many decades of disinvestment and disrepair. Because of the dilapidated condition, only portions of the building can currently be utilized. Those portions are utilized by the US Post Office, which is essential to the community, and a local beauty salon. Substantial funding is required to renovate the building. A private investor would not take on the project due to the considerable funding required and the limited potential for return on the investment. The residents and small businesses would not be able to pay large rents to provide a return to a private investor. This is why public funding is essential and part of the reason why the CIA purchased the building.

## Housing Revolving Loan Fund

Because of the very large size of the property, 9,240 square feet, and the central location, rehabilitating the property will have a momentous impact on the community. The newly renovated building will attract new businesses, new residents, and associated foot traffic. This will create a vibrant hub, a core of activity that will spur more activity and future development in the community.

After purchasing the building, CIA conducted a feasibility study, a hazardous materials assessment, a structural assessment, and a building utilization plan including a rehabilitation budget. Based on these assessments, CIA began applying for funding and prioritizing the work to be completed. Designs have been completed to renovate almost all aspects of the building, to include interior and exterior. The project will create 4 to 5 commercial spaces on the street level and new ADA access to all the commercial spaces. The two current commercial tenants, the Post Office and beauty salon, will remain in their newly renovated space. There will be space for 2 to 3 new small businesses. The second story will create 4 newly renovated, modern, efficient residential units. The community needs updated modern housing stock for existing and new residents. There is a need for quality housing for average income workers who are wanting to live in the area, but struggle to find affordable, quality housing. The proposed project will attract individuals, families and businesses to the community and create a central core of activity, bringing new life to the rural area. The proposed project and businesses will supplement the tax base of the municipality.



The project has received funding from NY Main Street Stabilization, NYS Empire State Development, Northern Border Regional Commission and National Grid Main Street Program, NYS SRDI, and Watertown Savings Bank. ConTech is the general contractor and GYMO is provided construction oversight. DANC Engineering has a contract with CIA for the NBRC portion of the project.

CIA transitioned from the environmental phase directly into the construction phase of the project as ConTech was the contractor for both. This occurred without all construction funding lined up, and as you can see by the pictures, a substantial amount of work has been completed to date. CIA is funding the construction so far with what reimbursements they have received to date and their own cash reserves.

While staff wouldn't normally request such a large loan amount for construction financing, Watertown Savings Bank has stated that they do not want to fund any more against the grants. Secondly, if the bank were to consider additional financing, it would require an appraisal that could take 2 months to complete based on current timelines we are seeing in the market. The Authority has more than sufficient funds to provide the \$1.2 million in bridge funding for a transformational project in a small community in Jefferson County. While we normally don't take a mortgage when bridging state grants, we would take a mortgage in this case. The bank has agreed to leave their \$400,000 loan in the project until such time that CIA can use reimbursements to pay them down to \$200,000. Our \$400,000 loan would do the same. At the end of the project, all \$1.6 million of Authority funds will be repaid.

### FINANCIALS:

## Housing Revolving Loan Fund

### Statement of Activities

	6/30/2022	6/30/2023	6/30/2024	10/31/24
Government grants	\$408,458	\$182,992	\$545,684	\$620,942
Rental revenue-NYS housing projects	\$76,069	\$79,598	\$84,739	\$18,085
Other rental revenue	\$136,176	\$139,295	\$139,581	\$45,077
Management fees	\$125,523	\$121,353	\$148,122	\$67,320
Investment income (loss)	(\$8,527)	\$6,688	\$10,365	\$ 5,547
Miscellaneous revenue	<u>\$36,356</u>	<u>\$36,797</u>	<u>\$127,371</u>	<u>\$77,517</u>
Total Support and Revenue	\$774,055	\$566,723	\$1,055,862	\$834,488
Expenses				
Grants paid	\$279,696	\$84,155	\$177,200	\$910,794
Salaries	\$281,967	\$290,407	\$295,629	\$68,319
Payroll taxes	\$23,916	\$23,671	\$26,416	\$18,070
Advertising	\$2,207	\$1,978	\$2,956	\$ 1,299
Conferences and training	\$1,761	\$105	\$6,369	\$ 1,028
Dues and subscriptions	\$2,249	\$1,449	\$3,681	\$ 720
Insurance	\$16,611	\$17,747	\$12,708	\$11,505
Interest	\$30,010	\$26,674	\$23,249	\$10,798
License and permits	\$0	\$50	\$100	\$ 0
Miscellaneous	\$1,385	\$4,349	\$18,783	\$ 6,284
Office supplies and expense	\$12,120	\$9,077	\$21,182	\$ 3,854
Payroll processing fees	\$9,750	\$4,908	\$10,525	\$ 0
Pest control	\$475	\$420	\$1,570	\$ 0
Postage	\$624	\$757	\$964	\$ 308
Professional fees	\$9,675	\$5,532	\$8,610	\$12,891
Real estate taxes	\$2,325	\$1,936	\$1,893	\$ 934
Repairs and maintenance	\$7,787	\$3,848	\$13,746	\$ 3,751
Snow and trash removal	\$3,523	\$4,659	\$8,557	\$ 539
Telephone	\$3,591	\$4,333	\$3,933	\$ 1,515
Travel and meals	\$2,688	\$3,198	\$60	\$ 2,367
Utilities	\$19,669	\$20,682	\$17,647	\$ 5,840
Depreciation	<u>\$109,792</u>	<u>\$107,323</u>	<u>\$108,721</u>	<u>\$ 0</u>
Total Expenses	\$821,821	\$617,258	\$764,499	\$1,060,816
Increase in Net Assets	(\$47,766)	(\$50,535)	\$291,363	(\$226,328)
Add Depreciation	\$109,792	\$107,323	\$108,721	\$0
Cash available for debt	\$62,026	\$56,788	\$400,084	(\$226,328)

- The historical financial information for 2022, 2023, and 2024 was from the independent audit. The 10/31/2024 information was internally prepared. The financials also include the operations of the French Bay Elder Cottages and the LaFargeville Apartments.

- Fiscal year-end is 6/30.
- CIA programs include:

## Housing Revolving Loan Fund

- Rural preservation-perform housing and community renewal activities including, but are not limited to, housing rehabilitation and home buyer counseling.
- Community service-developer and owner of Clayton Family Health Center located in Clayton. CIA leases the facility to Samaritan Medical Center under an operating lease expiring in 2029.
- Affordable tenancy-management of several affordable housing rental properties.
- Homeowners assistance-provide grant assistance to income eligible individuals for rehabilitation of existing homes.
- The major sources of revenue are through rental revenue and management fees. For the years ended June 30, 2024 and 2023, respectively, approximately 35% and 60% of its total support and revenue is provided from management fees and rental revenue. Government grants are for rehabilitation efforts of single-family homes that they receive grant funds, as well as for projects that they are developing like in LaFargeville. CIA receives \$122,530 annually in Rural Preservation Corporation funding from the state.
- Primary expenses are Payroll and Payroll Taxes of \$322,045 in 2024 and \$314,078 in 2023, interest of \$23,249 in 2024 and \$26,674 in 2023, utilities of \$17,647 in 2024 and \$20,682 in 2023, and insurance of \$12,708 in 2024 and \$17,747 in 2023. Grants paid in 2024 were \$177,200 and in 2023 were \$84,155. Depreciation was \$108,721 in 2024 and \$107,323 in 2023.
- Cash flows decreased by \$369,584 in 2024. CIA used \$400,315 of cashflows to fund property and equipment related to the LaFargeville project. This is consistent with the fact that the DANC and WSB loans did not close until August 2024. CIA was funding the construction on their own before these loans closed.
- The year-to-date information shows a loss because they have paid grants of \$910,793 which is comprised of work on the LaFargeville project. They have only booked \$560,050 of offsetting revenue for this project. As mentioned, these grants are on a reimbursement basis. To date, CIA has spent \$1,255,638 in grant funds associated with the project, and received \$601,164.

### Balance Sheet

	2022	2023	2024	10/31/24
Current Assets	\$778,138	\$787,468	\$745,851	\$763,323
Fixed Assets	\$2,715,670	\$2,608,347	\$2,899,940	\$2,764,154
Other Assets	\$0	\$0	\$0	\$0
Total Assets	\$3,493,808	\$3,395,815	\$3,645,791	\$3,527,477
Current Liabilities	\$8,744	\$45,262	\$92,167	\$563,936
Long-Term Liabilities	\$1,778,706	\$1,694,730	\$1,606,438	\$1,579,507
Total Liabilities	\$1,787,450	\$1,739,992	\$1,698,605	\$2,143,443
Net Assets	\$1,706,358	\$1,655,823	\$1,947,186	\$1,384,034
Total Liabilities & Net Assets	\$3,493,808	\$3,395,815	\$3,645,791	\$3,527,477

## Housing Revolving Loan Fund

- 2022, 2023, and 2024 information from the audit. 10/31/2024 information was internally prepared.
- Unrestricted cash decreased by \$370,688 in 2024 over 2023. Again, this is consistent with the fact that the DANC and WSB loans did not close until August 2024 and CIA was funding the construction on their own before these loans closed.
- Fixed assets included a medical clinic facility that CIA leases to Samaritan Medical Center. The lease is through 2029. Fixed assets also include French Bay Elder Cottages and the building in LaFargeville. Fixed assets have been increasing by the work-in-progress at the LaFargeville project.
- Accrued Payroll and Related Expenses increased in 2024 over 2023 by \$5,673. Grant received in advance was \$26,400 in 2024 and \$35,000 in 2022. Accounts Payable increased by \$50,407 in 2024 over 2023. Long-term debt decreased by \$87,495 in 2024 over 2023.
- Long-term liabilities include two USDA mortgage for the medical clinic totaling \$537,096 at FYE 2024, and a NYS SRDI loan for \$1,065,372 at 0% that balloons in October 2036 for improvements to the French Bay Elder Cottages.
- Net Assets without Donor Restrictions was \$807,694 and \$531,105 in 2024 and 2023 respectively, and Net Assets with Donor Restrictions was \$1,139,492 and \$1,124,718 in 2024 and 2023 respectively.
- Year to date 2024, current liabilities have been increasing due to the lines of credit being extended by the bank and DANC.

### Collateral:

- Co-proportional first mortgage and assignment of rents and leases with Watertown Savings Bank on real estate located at 36329-36331 NYS Route 180, LaFargeville, NY [parcel #32.15-1-24].

	<b>Cost</b>	<b>Discount</b>
Improvements @ 70%	\$3,021,700	\$2,241,190
DANC/WSB Loans LTV	\$1,600,000 53%	\$1,600,000 71%

As this is a construction loan and the Authority will be paid off from the proceeds of the grant, and since the improvements to the facility are far greater than the loan amount, an appraisal will not be required. The full market value per the Jefferson County real property records is \$132,317 in 2024.

The WSB loan was approved with a standby clause that if the loan went into default they would file a mortgage. That is why we are approving this loan with a co-proportional first mortgage provision. The existing Authority loan would remain unsecured, unless the loan goes into default and then we would look to secure this loan with a mortgage.

### Credit:

The logic score is Low Risk at 92 with an average business failure assessment. The average days beyond terms are 5 or less. There are no derogatory comments, collections, judgments, liens, bankruptcies, or charge offs.

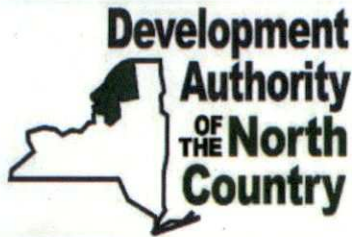
## **Housing Revolving Loan Fund**

### **Conditions:**

- Co-proportional first mortgage and assignment of rents and leases with Watertown Savings Bank on real estate located at 36323-36331 NYS Route 180, LaFargeville, NY.
- Commitment letter from Watertown Savings Bank on the \$200,000 permanent loan.

### **STAFF RECOMMENDATION:**

Staff recommends a construction loan not to exceed \$1,200,000 from the Housing Revolving Loan Fund subject to the above terms and conditions.



**Board Resolution No. 2024-12-85**  
**December 19, 2024**

**HOUSING REVOLVING LOAN FUND**  
**302 GLOBE LLC**  
**SUBORDINATION**

Whereas, **Resolution No. 2023-10-80** authorized a construction loan of \$800,000 to be paid down to a permanent loan of \$400,000 to 302 Globe LLC from the Housing Revolving Loan Fund to substantially renovate a building located at 302 Court Street, Watertown (formerly known as the Globe Mall) into 11 market rate apartments and first floor commercial space, and

Whereas, Watertown Savings Bank provided a construction loan of \$1,810,000 and a permanent loan of \$1,152,000 to support the project, and

Whereas, 302 Globe LLC has a new tenant for the first-floor commercial space whereby the tenant has requested that 302 Globe LLC complete the build-out, and

Whereas, Watertown Savings Bank will increase their construction and permanent loans by \$708,000 to \$2,518,000 and \$1,860,000, respectively, to partially fund the build-out subject to the Authority and Watertown Local Development Corporation approving subordination to the new debt, and

Whereas, an appraisal completed in February 2024 reflected an as-completed value of \$2,660,000, and

Whereas, with the additional bank debt the public lenders will have a 1:1 loan-to-value on their permanent debt, and

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

Now, therefore be it

**RESOLVED**, the Development Authority of the North Country does hereby approve the subordination of its \$800,000 loan from the Housing Revolving Loan Fund to 302 Globe LLC to an additional \$708,000 from Watertown Savings Bank for total permanent debt of \$1,860,000 subject to approval by the Watertown Local Development Corporation, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documents.

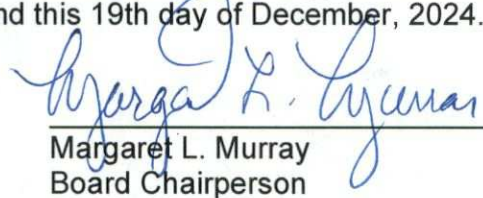
Motion by: A. MacKinnon  
Seconded by: D. Mastascusa

Bibbins – <b>Yes</b>	Hefferon – <b>Yes</b>	MacKinnon – <b>Yes</b>	Murray – <b>Yes</b>
Doheny – <b>Yes</b> *	Henry - <b>Absent</b>	McGrath – <b>Present</b> *	Virkler – <b>Absent</b>
Hall – <b>Yes</b>	Hunt - <b>Present</b>	Mastascusa – <b>Yes</b>	

\*- 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. 2024-12-85 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 19th day of December, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 19th day of December, 2024.



Margaret L. Murray  
Board Chairperson

## TERM SHEET

Borrower: 302 Globe LLC

Loan Fund: Housing Revolving Loan Fund

Amount: \$800,000 construction loan; to be paid down to \$400,000 at project completion by Watertown Local Development Corporation

Loan Term: First twelve months interest only then P&I to amortize loan over remaining 228 months.

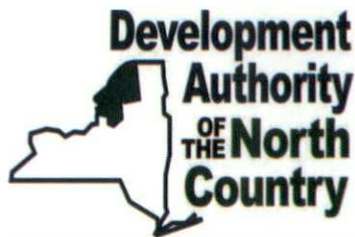
Loan Rate: ½ Wall Street Journal Prime plus 1 set 5 days prior to loan closing.

Guarantors: 5G Real Estate Group, 13G Real Estate Group, David M. Wilke

Collateral: Co-proportional second mortgage and assignment of leases and rents with Watertown Local Development Corporation on real estate located at 302 Court Street, Watertown, NY 13601. Lien on all machinery, equipment, furniture, fixtures, inventory, accounts receivable and general intangibles of business.

Conditions:

- Owner Cash Equity of \$254,200 documented by affidavit
- Watertown Savings Bank commitment of up to \$2,518,000 construction financing and \$1,860,000 permanent loan.
- Watertown Local Development Corporation loan of \$400,000
- Third party broker opinion or as completed appraisal with a minimum value of \$2,660,000.
- Guarantees from 5G Real Estate Group LLC, 13G Real Estate Group LLC, and David M. Wilke
- Copies of invoices and cancelled checks or bank statements
- Loan will be disbursed as construction loan
- All required permits and approvals



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:** December 10, 2024  
**SUBJECT:** 302 Globe LLC-Subordination Request

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The Authority approved a construction loan of \$800,000 from the Housing Revolving Loan Fund to 302 Globe LLC for the substantial rehabilitation of the property located at 302 Court Street, Watertown. This loan will be paid down to \$400,000 upon completion of the project by the Watertown Local Development Corporation. The loan closed on 9/20/2024. We have disbursed approximately \$200,000.

Watertown Savings Bank has a construction loan of \$1,810,000 that will be paid down to \$1,152,000 upon project completion. This will be paid down by an ESD grant of \$558,000 and a National Grid grant of \$100,000.

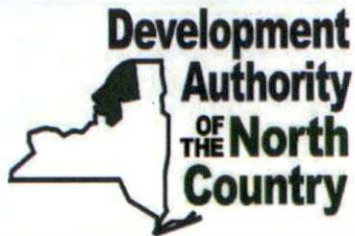
When the Authority approved the loan, the applicant had a different tenant identified for the first-floor commercial space. That tenant has pulled out; however, they have identified a new tenant. The new tenant, BOCES, has asked the borrower to build-out the space on their behalf. This tenant will sign a lease to occupy 12,650 s/f at \$22.48 s/f, or \$284,372 annually. The total commercial space is approximately 14,000 s/f. The higher lease rate covers the cost for the developer to build out the space for the tenant. It is a 10-year lease with an option to extend. There is a 1.25% annual escalator.

The cost for the borrower to build-out the space is \$912,902. Watertown Savings Bank is willing to lend an additional \$708,000 bringing their permanent loan to \$1,860,000 with the borrower putting in the additional \$204,902. The bank's approval to lend the additional funds is contingent upon the Authority and WLDC subordinating to the additional \$708,000, and an executed lease agreement.

An appraisal completed on February 7, 2024 had an as-completed value of \$2,660,000. Based on the new amounts for the permanent loans the collateral analysis is as follows:

Watertown Savings Bank	\$1,860,000
DANC/WLDC loans	\$ 800,000
Total Debt	\$2,660,000
Loan to Value	100%

**Staff Recommendation:** Based on the above collateral analysis, staff recommends that the Authority subordinate to the additional \$708,000 in debt from Watertown Savings Bank subject to the consent of the Watertown Local Development Corporation.



**Board Resolution No. 2024-12-86**  
**December 19, 2024**

**NORTH COUNTRY VALUE ADDED AGRICULTURE  
REVOLVING LOAN FUND  
ST LAWRENCE SUDS, LLC  
RATIFY LOAN**

Whereas, **Resolution No. 2014-10-07** established the North Country Value Added Agriculture Revolving Loan Fund, and

Whereas, the Regional Loan Review Committee has the authorization to commit loans of up to \$250,000 with the Authority Board ratifying the loan at its next meeting, and

Whereas, the Regional Loan Review Committee met December 3, 2024 to review an application from St Lawrence Suds, LLC requesting \$250,000 from the North Country Value Added Agriculture Revolving Loan Fund in order to start-up a distillery in Canton, NY (St. Lawrence County), and

Whereas, the committee felt that the project met the criteria of the loan program in increasing the availability of value added agricultural products to market and is transformational to the community as it removes a blighted building with a newly constructed facility, and

Whereas, the Regional Loan Review Committee approved a commitment of \$250,000 from the North Country Value Added Agriculture Revolving Loan Fund subject to the terms and conditions attached.

Now, therefore be it

**RESOLVED**, Development Authority of the North Country does hereby ratify a loan in the amount of \$250,000 from the North Country Value Added Agriculture Revolving Loan Fund to St Lawrence Suds, LLC 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**, that the Development Authority of the North Country accepts the action of the Village of Canton Board of Trustees taken under the State Environmental Quality Review (SEQRA) that the replacement project involves work on the same site and footprint with Type II actions described at 6 NYCRR §617.5 (c)(2) and 6 NYCRR §617.5 (c)(13) and is deemed as not subject to SEQRA review.

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

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

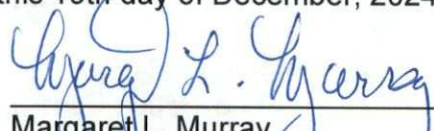
MacKinnon – **Yes**  
McGrath – **Present** \*  
Mastascusa – **Yes**

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. 2024-12-86 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 19th day of December, 2024, and that same is a true and correct copy of such resolution. In testimony whereof, I have hereto set my hand this 19th day of December, 2024.

  
\_\_\_\_\_  
Margaret L. Murray  
Board Chairperson

## TERM SHEET

Borrower: St Lawrence Suds, LLC

Loan Fund: North Country Value Added Agriculture Fund [Empire State Development Funds]

Amount: \$250,000.00

Loan Term: Construction financing, permanent loan for 180 months

Loan Rate:  $\frac{1}{2}$  Wall Street Journal Prime set at closing with a floor of 3% (WSJ Prime 7.75% on 12/9/2024)

Loan Payment: Monthly interest only payments during construction; upon conversion to permanent financing, 3 months interest only payments and then principal and interest payments to fully amortize the loan over the remaining 177 months.

Collateral: Co-proportional second mortgage and assignment of rents and leases with public lenders on real estate; lien on all business assets.

Conditions:

- Satisfactory proof of owner cash equity contribution of \$280,000.
- Shareholder debt of \$165,000 subordinated to the public loans.
- NBT/Pursuit financing commitment of \$820,250
- NCEDF Fund loan commitment of \$300,000
- St. Lawrence County IDA LDC construction loan commitment of \$225,000, to be paid down to a permanent loan of \$112,500
- NCA construction loan commitment of \$225,000 to be paid down to a permanent loan of \$112,500
- Personal guaranties of David Warner, Joseph Erlichman, David Murphy, Gary Hammond, Bent Beam Brewing LLC

**North Country Value Added Agriculture Fund**

**BORROWER:** St Lawrence Suds, LLC

**BUSINESS LOCATION:** 41 West Main Street, Canton, NY 13617

**PROJECT LOCATION:** 41 West Main Street, Canton, NY 13617

**OWNERSHIP:** David Warner 18.75%  
Joseph Erlichman 12.5%  
David Murphy 12.5%  
Gary Hammond 12.5%  
7 other investors with under 9% ownership

**AMOUNT:** \$250,000.00

**TERM:** construction financing, permanent loan for 180 months

**RATE:** ½ Wall Street Journal Prime set at loan closing with a floor of 3% (WSJ Prime 7.75% on 11/12/2024)

**PAYMENTS:** Monthly interest-only payments during construction; 3 months interest only at conversion to permanent financing and then principal and interest payment amortized over the remaining 177 months.

**COLLATERAL:** Co-proportional second mortgage with public lenders on real estate and assignment of leases and rents; lien on all business assets.

**GUARANTORS:** David Warner, Joseph Erlichman, David Murphy, Gary Hammond, Bent Beam Brewing LLC

**USE OF FUNDS:** Distillery equipment

**EMPLOYMENT:** Current: 0  
Years 1-3: 12.5 FTE

<b>CONSTRUCTION SOURCES OF FUNDS</b>		<b>USES OF FUNDS</b>	
NCEDF	\$300,000.00	Acquisition	\$ 60,000.00
NBT Bank/Pursuit	\$820,250.00	Construction	\$1,597,957.00
SLCIDA LDC	\$275,000.00	Site Work	\$ 119,623.00
NCA	\$225,000.00	FF&E Brewing	\$ 260,000.00
DANC Value-Added Ag Fund	\$250,000.00	FF&E Restaurant	\$ 15,000.00
National Grid Brownfield Grant	\$ 26,500.00	Working Capital	\$ 170,170.00
Officer Debt	\$165,000.00	Professional fees	\$ 119,000.00
Cash Equity	<u>\$280,000.00</u>		
Total Sources	\$2,341,750.00	Total Uses	<u>\$2,341,750.00</u>

## North Country Value Added Agriculture Fund

### PERMANENT SOURCES OF FUNDS

RESTORE NY Grant	\$610,000.00
NBT Bank/Pursuit	\$820,250.00
SLCIDA LDC #1	\$112,500.00
SLCIDA LDC #2	\$ 50,000.00
NCA	\$112,500.00
DANC Value-Added Ag Fund	\$250,000.00
National Grid Brownfield Grant	\$ 26,500.00
Officer Debt	\$165,000.00
Cash Equity	<u>\$280,000.00</u>
Total Sources	\$2,426,750.00

### USES OF FUNDS

Acquisition	\$ 60,000.00
Construction	\$1,597,957.00
Site Work	\$ 119,623.00
A&E	\$ 70,000.00
FF&E Brewing	\$ 260,000.00
FF&E	\$ 100,000.00
Working Capital	\$ 170,170.00
Legal Fees	\$ 49,000.00
Total Uses	<u>\$2,426,750.00</u>

*The difference between the construction and permanent sources and uses of funds is the \$85,000 to be paid back to the Borrower's from the RESTORE NY grant. They will use these funds to purchase the restaurant equipment. This works out well as they plan to open the restaurant a year from opening the brewery and it will likely take a year for the reimbursement.*

#### National Grid Grant-Awarded

NBT Bank/Pursuit 7A loan-Pending, 10 year term/20 year amortization; fixed rate at closing with 5-year ARM, 325 bps over the 5-year FHLB Regular Fixed Advance Rate.

RESTORE NY Grant-Awarded Project #135,605

SLCIDA LDC #1-Approved and closed. 5 year term, 4.75%, matures 2/1/2028.

SLCIDA LDC #2-Assumes 15 years at ½ WSJ Prime plus 1 set at closing

NCA-Assumes 15 years at WSJ Prime minus 1 with a floor of 5% set at closing

NCEDF-Assumes 15 years at ½ WSJ Prime plus 1 set at closing

#### PROJECT:



St Lawrence Suds LLC is the real estate holding company, and Bent Beam Brewing LLC is the operating entity. St Lawrence Suds is in need of funding to bridge a \$610,000 RESTORE NY grant provided by the state in 2023. The LLC is comprised of 11 partners with an elected board of directors. Funding sources identified to help bridge this funding are the North Country Alliance, NCEDF, North Country Value Added Agriculture Fund, and the SLCIDA LDC. The NCEDF funds will be repaid from the grant proceeds, and a portion of the NCA and SLCIDA LDC funds will be paid down as well. The

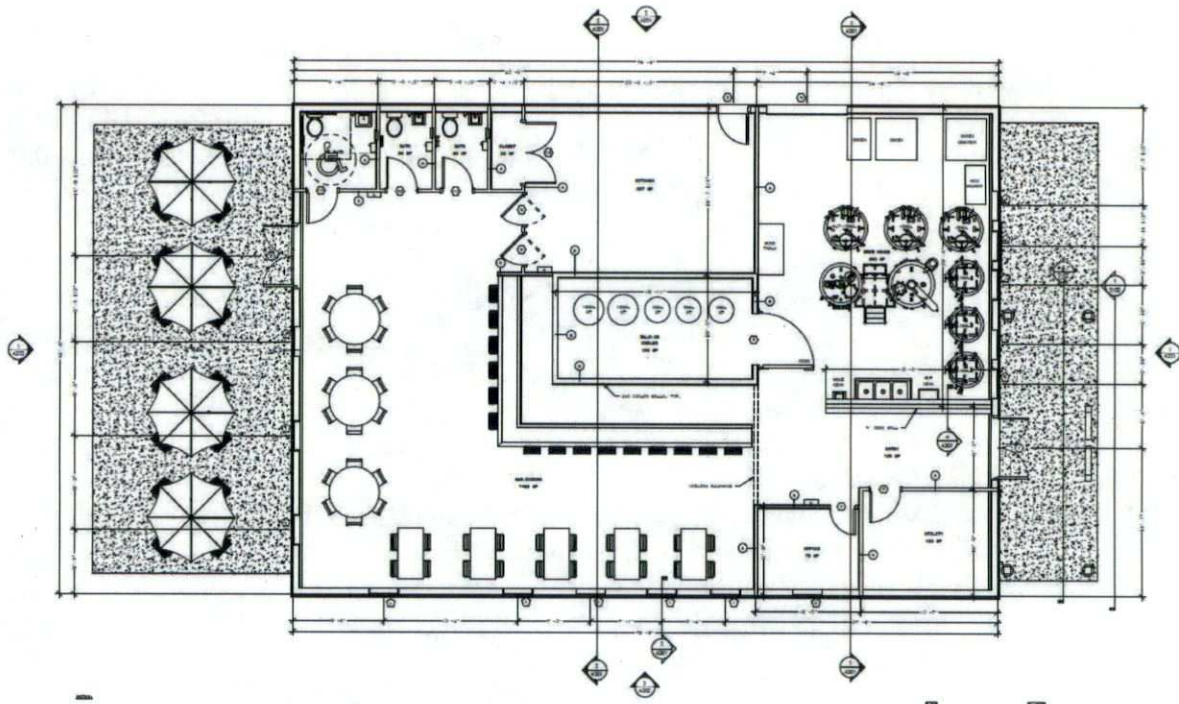
Value Added Ag Funds will go in during construction and stay in as permanent funds.

St Lawrence Suds is a start-up brew pub in Canton, NY. Breweries are an eligible use under the North Country Value Added Ag Fund. The applicant is proposing to construct a new 48' x 70'

St Lawrence Suds LLC

## North Country Value Added Agriculture Fund

building. The building is currently under construction with pictures provided. Approximately 1,392 square feet will be finished for light manufacturing. A 5-barrel brewhouse will be installed for brewing craft beer which will be sold on-site in the remaining building area. All new utilities will be connected including an 800 amp, three phase electric service. All site planning has been completed and the building permit has been issued for construction.



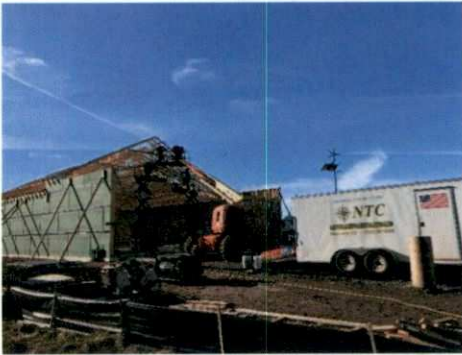
The proposed project is to create a destination for high quality craft beer and an upscale pub that will provide food and beverage options for Canton as well as attract customers from other areas to foster growth and tourism in the village. The proposed hours of operation are Wednesday thru Friday 4PM-10PM, Saturday 12PM-12PM, and Sunday, 12PM-6PM.

The location is well suited as it is located near SUNY Canton on the main road in and out of Canton. The applicants note that the closest breweries are located more than 30 miles from Canton (Township 7, In-Law and Gristmill Brewery). Aside from these three breweries, the next closest microbrewery is 51 miles from Canton (Raquette River). While some of these breweries do distribute their products in cans or kegs, there are few local beers on tap. Besides pizza and take-out there are only 3 sit down restaurants within 5 miles of Canton. The applicant notes that between a 5-mile radius and 20-mile radius from Canton, \$1.97 million is spent on beer and ale away from the home per year while \$68.3 million is spent on meals at restaurants



## North Country Value Added Agriculture Fund

away from the home. (esri dining and alcoholic beverage spending 2017). They feel there is huge potential to draw that spending back to Canton with the new brewpub.



They plan to start the business with 8 beers on tap. They have already purchased an Alpha 5 BBL 2V brew house. They will also have 7 5 BBL fermenters and 1 10 BBL fermenter. They will submit for the federal Alcohol and Tobacco Tax and Trade Bureau (TTB) after the first of the year. They have been told that this takes about 30 days once a full application is submitted to receive. They can then submit to NYS for a brew pub permit. They have been told once you submit a full application to the state you can apply for and receive a

temporary permit while the application is pending. This has been confirmed by reviewing the state's website.

The business will only sell beer made on premise. Some of the hops for the product will come from Country Malt, a national firm with a location in Plattsburgh. They will use some NYS sources when they can. The owners also plan to start a small hand canning operation. The plan is to sell 4-pack take-away packs from a cooler. They will also look to distribute their beer in kegs to local locations.

In one year, the restaurant will open. The restaurant must open as the site was zoned for a brew pub only. A stand-alone restaurant or a stand-alone bar are not zoned for this location. The applicants will use the remaining \$85,000 in RESTORE NY grant funds paid back to them to purchase the restaurant equipment. Until the restaurant opens, the owners plan to have food trucks set up at the location to provide food. They have spoken to a few food truck owners interested in selling food at the location.

Joe Erlichman will be the company's Brewmaster. He has 30 years of experience in brewing and currently works at St. Lawrence University. He teaches brewing at the college. He has a significant following for his beers. Scott Wright, another owner, has experience in product distribution working for Pepsi. Another partner, Scott Chisholm has experience in running a restaurant as he ran the St. Lawrence Inn. The partners in the partnership bring vast experience to the business. All are successful businessmen.

The Village of Canton determined by resolution on July 17, 2024 that the project proposed by St. Lawrence Suds for the property at 41 West Main Street in the Village of Canton did not meet or exceed any applicable Type 1 thresholds identified at 6 NYCRR §617.5(c)(2) and 6 NYCRR §617.5 (c)(13) and is deemed as not subject to SEQRA review. The Development Authority will accept the Village's determination of SEQRA.

### FINANCIALS:

St Lawrence Suds LLC

### North Country Value Added Agriculture Fund

	Year One	Year Two	Year Three
Sales	\$316,660	\$795,732	\$1,062,967
Gross Profit	\$236,453	\$588,193	\$764,975
Operating Expenses	\$370,272	\$640,449	\$718,951
Net Operating Income	(\$133,819)	(\$52,256)	\$46,024
Add: Interest	\$69,311	\$90,920	\$84,421
Add: Depreciation	\$126,912	\$132,579	\$132,579
Cash Available for Debt	\$62,404	\$171,243	\$263,024
NBT Bank/Pursuit	\$79,054	\$79,054	\$79,054
NC Value Added Ag Fund	\$22,278	\$22,278	\$22,278
NCA	\$12,064	\$12,064	\$12,064
SLC IDA LDC	\$11,264	\$11,264	\$11,264
SLC IDA LDC	\$10,710	\$10,710	\$10,710
Total	\$135,370	\$135,370	\$135,370
LTV	.46	1.26	1.94

NBT Bank/Pursuit-\$6587.83/month

NC Value Added Ag Fund-\$1,856.54/month

NCA-\$1,005.30/month

SLC IDA LDC #1-\$938.70/month

SLC IDA LDC #2-\$892.50/month

- The projections were prepared by the applicant.
- Year one is expected to be a partial year with sales beginning in June 2025. Sales will be entirely comprised of brewery sales. Restaurant sales are not expected to begin until July 2026 in year two.
- They project 370 beer barrels (BBL)/year. They expect the average pint to sell for \$6.5. The average cost per BBL will be \$325.13, or \$1.31/pint.
- Brewery sales were based on actual numbers from Township 7 Brewery in Dickenson Center as provided by Hosmerica. Brewery sales will increase by 5% year over year for the first three years.
- Sales are projected to increase by 151% in year two over year one, and by 34% in year three over year two. Restaurant sales are expected to begin in July 2026. The first full year of both beer and restaurant sales will be in 2027. In 2027, brewery sales will make up 55.5% of sales while restaurant sales will make up the balance.
- COGS for the brewery in year one will be 25%, 22% in year two, and 22.4% in year three.
- Primary business expenses include: payroll which is \$136,499.71 in year one, \$321,742 in year two, and \$486,939 in year three; utilities which are \$10,000 in year one, \$18,000 in year two, and \$18,000 in year three; real estate taxes of \$24,534 in year two and \$25,270 in year three; and insurance of \$7,441 in year one and \$14,400 in years two and three. Interest expense and depreciation are significant expenses as well.

## North Country Value Added Agriculture Fund

- Based upon the projections, the business will not have sufficient cash flow to repay debt until year two after the restaurant opens. The detailed cash flow projections show the owners contributing \$170,170 in cash toward start-up working capital. They also have significant personal wealth to continue to fund working capital for the project.

### Balance Sheet

	At Closing
Current Assets	\$289,170
Fixed Assets	\$2,137,580
Other Assets	\$0
<b>Total Assets</b>	<b>\$2,426,750</b>
Current Liabilities	\$30,000
Long-Term Liabilities	\$1,315,250
<b>Total Liabilities</b>	<b>\$1,345,250</b>
Stockholder's Equity	\$1,081,500
<b>Total Liabilities &amp; Net Assets</b>	<b>\$2,426,750</b>

Working Capital	\$259,170
Current Ratio	9.64
Debt to Equity Ratio	.80

- The balance sheet shows the business at closing of permanent financing. It does not include the construction loans.
- The company's current assets are comprised of cash for professional services, closing costs, and working capital.
- The current liabilities include the current portion of the long-term debt.
- Equity is substantial due to the RESTORE NY grant, National Grid grant, and the owners' cash contributions.

### Credit:

David Warner lists assets of \$1.4 million and liabilities of \$104,539. Primary assets are in cash and real estate of \$1.3 million. Primary liability is a mortgage of \$80,000 and real estate taxes and assessments payable of \$24,000. Real estate includes properties in Fayetteville, Rochester and Colton. He has a TransUnion score of 819. He has no derogatory comments. He shows outstanding liabilities of \$98,133 which are revolving and mortgage debt. Mr. Warner is employed by Kinney Drugs.

David Murphy lists assets of \$1.57 million and no liabilities. His primary asset is a term life insurance policy, marketable securities, \$300,000, and real estate, \$220,000. Real estate is located in Canton. He has a TransUnion score of 775. He has no derogatory comments. He shows outstanding liabilities of \$13,144 which is a credit card.

## North Country Value Added Agriculture Fund

Gary Hammond lists assets of \$2.7 million and liabilities of \$35,887. Primary assets are in readily marketable securities, \$1.5 million, business ventures, \$690,538, and real estate, \$240,000. His liabilities are in notes payable to banks, \$25,741, and credit card debt, \$10,146. He has a TransUnion score of 778. He has no derogatory comments. He shows outstanding liabilities of \$50,670 which are revolving debt, \$23,248, and installment debt, \$27,422. Mr. Hammond is an owner of Collins Hammond Electric.

Joseph Erlichman lists assets of \$1.6 million and liabilities of \$8,000. Primary assets are in readily marketable securities, \$900,000, and real estate, \$450,000. Real estate is owned in Pierrepoint and Sheenboro, QC. His liability is credit card debt, \$8,000. He has a TransUnion score of 814. He has one derogatory comment. It appears it was a 90-day delinquency on an education loan in 2018. There was no loss and the account is closed. He shows outstanding liabilities of \$37,645 which are in revolving and installment loans. Mr. Erlichman is employed by St. Lawrence University.

### Collateral Analysis

- Co proportional second mortgage and assignment of rents and leases behind NBT Bank/Pursuit SBA 7A loan of \$820,250 on real estate located at 41 West Main Street, Canton, NY 13617.
- Lien on all business assets of St Lawrence Suds LLC.

	<b>Market Value</b>	<b>Discount</b>
Real Estate	\$965,000	
Discounted at 75% LTV		\$723,750
New Equipment	\$360,000	
Discounted at 50% LTV		\$180,000
Total	\$1,325,000	\$903,750
NBT Bank/Pursuit Loans	\$820,250	\$820,250
Collateral available after bank loans	\$504,750	\$83,500
DANC/NCA/SLCIDA LDC 1* & 2	\$500,000	\$500,000
<b>Total LTV</b>	<b>100%</b>	<b>599%</b>

\*St. Lawrence County IDA LDC loan #1 for \$50,000 closed on 1/25/2023. The term is for 5 years and it matures 2/1/2028. It is secured by the brew pub equipment. The current balance on the loan is \$25,000. The \$25,000 balance is reflected in the collateral analysis above.

Appraisal completed August 15, 2024 by Integra Realty Resources for NBT Bank, NA gave market value as completed of \$965,000.

### Contingencies:

- Satisfactory proof of owner cash equity contribution of \$280,000.
- Shareholder debt of \$165,000 subordinated to the public loans.
- NBT/Pursuit loan of \$820,250.

## North Country Value Added Agriculture Fund

- NCEDF Fund loan of \$300,000.
- St. Lawrence County IDA LDC construction loan of \$225,000 paid down to a permanent loan of \$112,500.
- NCA construction loan of \$225,000 paid down to a permanent loan of \$112,500.
- Personal guaranties of David Warner, Joseph Erlichman, David Murphy, Gary Hammond, Bent Beam Brewing LLC.

As an aside, the permits and approvals to construct the property have been obtained. SEQRA has been completed by the Village. **The DANC board will accept the Village's SEQRA determination.** They do still need to obtain their brew pub license from TTB and NYS. This will not be required to close on the construction loans. The appraisal has been completed as well.