



## MINUTES

**PROJECT DEVELOPMENT COMMITTEE MEETING**  
**Thursday, June 20, 2019 – 10:00 AM**  
**State Office Building – Conference Room 100, 1st Floor**  
**317 Washington Street, Watertown, New York**

The Development Authority of the North Country Project Development Committee met in regular session at the State Office Building, Conference Room 100, 1<sup>st</sup> Floor, 317 Washington Street, Watertown, New York on Thursday, June 20, 2019 at 10:00 am.

### **Committee Members Present**

Alex MacKinnon, Chairman  
Tom Hefferon  
James Hollenbeck  
Stephen Hunt  
Margaret Murray  
Gary Turck

### **Committee Members Absent**

### **Other Board Members Present**

Frederick Carter  
Al Calligaris  
Mary Doheny

### **Staff Present**

Michelle Capone, Director of Regional Development  
Carl Farone, Comptroller  
Laurie Marr, Director of Communications and Public Affairs  
Brian Nutting, Manager, Water Quality  
Patricia Pastella, Manager, Materials Management  
Jennifer Staples, Director of Information Services  
Carrie Tuttle, Director of Engineering  
David Wolf, Director of Technology  
James Wright, Executive Director  
Angela Marra, Executive Assistant  
Melissa Durant, Administrative Assistant

### **Guests**

Jennifer Granzow, Counsel, Wladis Law Firm  
Victoria Ramundo Esq., Counsel

1. Chairman MacKinnon opened the meeting at 10:02 AM. A. MacKinnon then turned the meeting over to M. Capone.
2. Resolution No. 2019-06-76, approves the modification to a lease with Agbotic Incorporated subordinating to funding from the NYS Green Bank in an amount of \$6 million, and further authorizes the Executive Director or Authority Comptroller to execute all necessary documentation.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2019-06-76, Agbotic Incorporated, Lease Modification, was unanimously approved by the Project Development Committee.

3. Resolution No. 2019-06-77, authorizing the Development Authority of the North Country to enter into a contract with the North Country Procurement Technical Assistance Center and the Greater Watertown North Country Chamber of Commerce in an amount not to exceed \$12,500 for the federal fiscal year 9/1/19-8/31/20 to provide economic and business development activities. Furthermore, the Director of Regional Development is authorized to execute all necessary contracts and agreements.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2019-06-77, Authorizing Agreement, North Country Procurement Technical Assistance Center, was unanimously approved by the Project Development Committee.

4. Resolution No. 2019-06-78, approves a loan/grant not to exceed \$100,000 (\$50,000 grant/\$50,000 loan) from the Community Rental Housing Program Regional Development Housing Program to Neighbors of Watertown, Inc. for the renovation of 825 Academy Street, Watertown. Furthermore, the Executive Director or Authority Comptroller are authorized to execute all appropriate documents necessary to execute the loan. This is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

T. Hefferon asked if this is the second house from the corner. M. Capone responded yes. The property on the corner has been sold to private individuals and is moving along really well. This would be a good investment, and good for the neighborhood overall.

Upon a motion by T. Hefferon, and seconded by J. Hollenbeck, Resolution No. 2019-06-78, Community Rental Housing Program, Regional Redevelopment Housing Program, Neighbors of Watertown, Inc., Loan Authorization, was unanimously approved by the Project Development Committee.

5. Resolution No. 2019-06-79, approves the loan modification for Gervera Inc. per the attached terms and conditions. This resolution further authorizes the Executive Director or the Authority Comptroller to execute all necessary documentation.

M. Capone commented that as shown in the news recently, a wonderful job has been done on both the exterior and interior making a great space for downtown Watertown. This resolution will help her complete the basement space to sublet for boutique type stores. There is still a positive loan to value after the collateral analysis.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2019-06-79, North Country Redevelopment Loan Fund, Gervera Inc., Loan Modification, was unanimously approved by the Project Development Committee.

6. Resolution No. 2019-06-80, approves the loan modification for GOCO Ventures, LLC for an additional three months of interest-only payments beginning with the July 1, 2019 payment and ending with the September 1, 2019 payment with the loan re-amortizing to be repaid over the remaining term. Furthermore, the Executive Director is authorized to execute all necessary documentation.

M. Capone stated this location is at 38 Water Street in Massena. They are running behind and asked if we will continue to extend the interest only payments for an additional three months, then re-amortize the loan as of October 1, 2019 to repay over the remaining term of the loan.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2019-06-80, North Country Redevelopment Loan Fund, GOCO Ventures, LLC, Loan Modification, was unanimously approved by the Project Development Committee.

7. Resolution No. 2019-06-81, ratifies the grant/loan commitment in the amount of up to \$110,000 (\$55,000 loan/\$55,000 grant) from the North Country Redevelopment Fund to

the Village of Heuvelton at the terms outlined on the Term Sheet, consistent with the Empire State Development program requirements. This resolution further authorizes the Executive Director or Authority Comptroller to execute all documents necessary to complete this loan. This is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

The Redevelopment Loan Fund Committee is recommending this for approval. They had some cost overruns associated with hazardous material in the duplex that they want to tear down. Considering this, the committee felt it was okay to increase our commitment.

Upon a motion by D. Mastascusa, and seconded by J. Hollenbeck, Resolution No. 2019-06-81, North Country Redevelopment Loan Fund, Village of Heuvelton, Loan Modification, was unanimously approved by the Project Development Committee.

8. Resolution No. 2019-06-82, approves the loan modification for Eastern Resort Management, LLC as per the written terms and conditions. Furthermore, this resolution authorizes the Executive Director or Authority Comptroller to execute all necessary documentation.

M. Capone stated this is for Snow Ridge, which have been discussed at several meetings in terms of their past due situation. They did make one payment on the loan that was one year past due. M. Capone recommended on their larger loan of \$168,000 the past due interest be accrued, which would bring the past due interest to \$797 as of June 1, giving us a balance of \$142,000. She further suggested that we re-amortize the loan over 20 years at 1%, bring their monthly payments to \$653.54 beginning on July 1<sup>st</sup>. 20 years would be consistent with the useful life of the asset. The smaller loan of \$30,600 is for equipment and cannot be modified.

M. Capone stated that in the write up it was noted that the current mortgage holder/senior mortgage holder, who is the seller, said in a letter dated April 10<sup>th</sup>, that he was ok being a patient owner. M. Capone just received an email last week on Friday after the Board Package was mailed, stating he is not so patient anymore.

While M. Capone is recommending this resolution to the committee because she feels this business needs help in terms of cash flow, she would like to have it noted that she has serious concerns about their ability to repay. The Authority is in a second mortgage position.

A MacKinnon asked what happens if this resolution fails. M. Capone responded that the senior mortgage holder is currently in the driver seat until they make the decision to call the loan or not, and that all voting down will accomplish is them not paying us. M. Capone further stated that by refinancing, this gives them a fighting chance to make payments at a smaller amount.

D. Mastascusa asked if the first position lender was threatening foreclosure. M. Capone responded that in the first letter received he was fine, however in the recently received email he wrote "find a bank."

M. Capone commented that based upon historical financials compared to our write up they are on track, but they aren't at where they projected themselves to be at. A 20 year

loan would have made perfect sense from the beginning, however they projected with a 10 year and did not want to change.

M. Murray commented that they seem to be trying to generate more income, and they are preparing to hold more summer events. M. Capone agreed.

M. Capone stated that they were also offered annual payments, as opposed to monthly. The smaller equipment loan is an annual payment.

F. Carter asked if we have been dealing with this problem before. M. Capone replied they have been past due for eight months, and she has reported on it each month.

M. Murray asked if the real estate sale had happened yet. M. Capone replied it has not, and she believes this is what is concerning the seller ahead of us.

S. Hunt stated there is no more money being put into this. This is just a rework to make it easier for them, with hopes that they will pay us.

M. Capone stated that even if we do there may still be some "past dues" but she is hopeful that we can continue to work with them. The bigger issue is that they need to sell the land in order to make the seller happy. Following that, they may have to go to a bank and attempt to get better funding.

J. Johnson asked what is the probability the Authority is going to own a ski resort. M. Capone responded that we would have to pay off the first mortgage holder.

S. Hunt stated this change helps us not to have to own it. The last thing we want to do is foreclose on them.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2019-06-82, Regional Tourism Transformational Community Revolving Loan Fund, Eastern Resort Management, LLC, Loan Modification, was unanimously approved by the Project Development Committee.

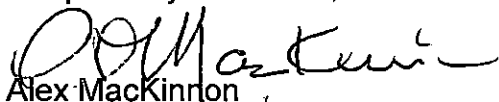
M. Capone wanted to have noted within the minutes, that since the committee has last met, we have approved three Grown and Certified grants to the following:

Jake Ledoux in Lewis County,  
Joe Eisel in St. Lawrence County, and  
Kurt Lanning in Jefferson County.

The PDC has reviewed each of these through email and approved them. This leaves about \$88,000 in that fund, and once that is used it will be done.

Upon a motion by D. Mastascusa, and seconded by J. Hollenbeck, the meeting was adjourned at 10:21 AM.

Respectfully submitted,

  
Alex Mackinnon

Chairman, Project Development Committee