



MINUTES

PROJECT DEVELOPMENT COMMITTEE MEETING

Thursday, September 19, 2019 – 9:45 AM

Thousand Islands Bridge Authority

Conference Room

43530 Interstate 81, Collins Landing, Alexandria Bay

New York 13607

The Development Authority of the North Country Project Development Committee met in regular session at the Thousand Islands Bridge Authority Conference Room, 43530 Interstate 81, Collins Landing, Alexandria Bay, New York on Thursday, September 19, 2019 at 9:45 am.

Committee Members - Present

Alex MacKinnon, Chairman
Thomas Hefferon
James Hollenbeck
Margaret Murray
Gary Turck

Committee Members - Absent

Steve Hunt

Other Board Members Present

Al Calligaris
Frederick Carter
Mary Doheny
John Johnson, Jr.
Dennis Mastascusa

Staff Present:

James W. Wright, Executive Director
Carl Farone, Deputy Executive Director, Chief Financial Officer
Amy Austin, Human Resources Director
Michelle Capone, Director, Regional Development Division
Laurie Marr, Director of Communications and Public Affairs
Brian Nutting, Manager, Water Quality Division
Patricia Pastella, Manager, Materials Management Division
Jennifer Staples, Director of Information Systems
Carrie Tuttle, Director, Engineering and Environmental Division
David Wolf, Director, Technology Division
Angela Marra, Executive Assistant
Melissa Durant, Administrative Associate
Nicholas Moulton, Information Technology Technician

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm

1. Chairman MacKinnon opened the meeting at 9:47 AM.

2. Chairman MacKinnon requested a roll call by A. Marra.

All committee members were present except for S. Hunt, confirming there was a quorum.

2. Resolution No. 2019-09-97, approves the sub-recipient agreement between the Town of Gouverneur and the Development Authority of the North Country to administer CDBG funds and authorizes the Executive Director, or Deputy Executive Director/CFO, to execute all appropriate documents necessary to execute the agreement and administer and deliver the program.

M. Capone stated that the Authority will receive \$10,000 for the grant and administrative services and \$37,000 for program delivery services.

Upon a motion by T. Hefferon, and seconded by J. Hollenbeck, Resolution No. 2019-09-97, Sub-Recipient Agreement, Town of Gouverneur, CDBG Program, was unanimously approved by the Project Development Committee.

3. Resolution No. 2019-09-98, was pulled at the committee meeting.

M. Capone requested that Resolution No. 2019-09-98 be pulled from the agenda. This is based on information she received two days ago from the applicant that they may be applying to the state for the entire amount of funding. At this point in time, the resolution is pulled until further information is received from the applicant.

4. Resolution No. 2019-09-99, approves the loan modification for Northview/LeRay Associates. L.P. for an additional nine months of interest-only payments beginning with the September 1, 2019 payment and ending with the May 1, 2020 payment with the loan re-amortizing to be repaid over the remaining term, and authorizes the Executive Director or Deputy Executive Director/CFO to execute all necessary documentation.

M. Capone commented that Northview/LeRay Associates LP are still in construction phase and making improvements to the property in Evans Mills. They are waiting on a closing with New York State in order to utilize the New York State funds in order to do the improvements.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution No. 2019-09-99, Housing Revolving Loan Fund, Northview/LeRay Associates, L.P., Loan Modification, was unanimously approved by the Project Development Committee.

5. Resolution No. 2019-09-100, modifies the Rider to the Regulatory Agreement with Carthage Development Group Limited Partnership to maintain 10 units at 60% of area median income and make 10 units market rate effective January 1, 2020 to address changes in the housing market conditions and further authorizes the Executive Director or Deputy Executive Director/CFO to execute all documents necessary.

M. Capone stated that this is a mixed use property on Main Street in Carthage. Formerly, it was a furniture store. The entity that buys the tax credits, the investor, maintains regulations over the property on terms of affordability. That first 15 years is going to be up at the end of this year. There is a rider regulatory agreement that requires it to stay affordable for an additional 15 years. Because the Authority is the Housing Credit Agency, we have some flexibility over what the rider required, for the next 15 years. In

2007 the Authority did something similar for the Brighton LP because there were changes in the housing market resulting in soldier's income not being eligible for affordable housing. M. Capone further stated she has been a member of this board for several years and they have had high vacancies in these units. By looking at the project and seeing what has worked in the past for other properties, she would recommend modifying the rider to the regulatory agreement resulting in 10 units staying at the 60% of the area median income or less, and the other 10 units go to the market rate. This would be conditioned on them putting together a fair market housing plan and tenant selection plan, which M. Capone would work with them to create.

A. MacKinnon commented that there really is a difference between the housing markets in that particular area. M. Capone responded that yes things have changed in the housing department, especially with affordable housing projects. Much of the population around Carthage is military, and they are competing with other affordable housing projects in the area.

A. MacKinnon stated that in a sense, it is good because we are running out of people who are low-income. This is a positive thing for this area. Michelle responded that units are oversupplied, and there are a lot of options. This is also a downtown facility located on Main Street, above commercial property. There is a limit to the people who want to live in this setting. All in all, this should be a good repositioning for this property and help stabilize their financials.

M. Capone further stated that at the end of next year their loan with the senior lender, Key Bank, will balloon. She also stated that they have had some environmental issues with an old furnace and oil tank. Originally this was a great project following the fire in downtown Carthage which destroyed most of one whole side of the block. This property is across the street from the fire, and this project saved it from being torn down. It was an anchor project allowing them to fix up that whole side of the block. The opposite side followed with developing the hospital facilities and parks as well.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2019-09-100, Low Income Housing Tax Credit Program, Carthage Development Group Limited Partnership, Modification to Rider to Regulatory Agreement, was unanimously approved.

J. Granzow entered the meeting at 9:50 AM.

6. Resolution No. 2019-09-101, approves the loan modification for North American Forest Group Inc. for an additional three months of interest-only payments beginning with the September 1, 2019 payment and ending with the November 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.

Upon a motion by J. Hollenbeck, and seconded by T. Hefferon, Resolution No. 2019-09-101, North Country Redevelopment Loan Fund, North American Forest Group Inc., Loan Modification, was unanimously approved by the Project Development Committee.

A. Austin entered the meeting at 9:55 AM.

7. Resolution No. 2019-09-102, ratifies a loan modification to subordinate to new financing from Community Bank in an amount not to exceed \$365,000 for Long Lake Hotel Corporation from the Regional Tourism Transformational Community Revolving Loan Fund. This resolution further authorizes the Executive Director or Deputy Executive Director/CFO 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.

M. Capone further stated that the owner is going back to her senior lender, Community Bank, and refinancing some of her existing debt, as well as taking out some equity. She has also put a lot of her own money into this property, and has the opportunity to increase her financing with Community Bank from \$165,000 to \$365,000. As stated in the collateral analysis this will be a sufficient loan to value, assuming that the appraisal comes back as satisfactory. Because the owner has paid off a significant amount of the personal debt, it improves the cash flow. Even with this new debt, the cash flow improves.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2019-09-102, Regional Tourism Transformational Community Revolving Loan Fund, Long Lake Hotel Corporation, Loan Modification, was unanimously approved by the Project Development Committee.

8. Resolution No. 2019-09-103, approves making a negative declaration whereby the proposed action will not result in any adverse environmental impacts relating to the ski lodge to be constructed with funds from the Regional Tourism Transformational Community Revolving Loan Fund to Osceola Ski and Sport Resort, LLC.

M. Capone explained that this resolution needed to be done first because this is an unlisted action through SEQRA which requires a negative declaration first before the loan funding can be done. This is a loan by Dustin and Kristina Hite. The original loan was approved in October 2018. The current project has the Hites purchasing property next door to where they were originally going to buy, still in Osceola, and establishing a new lodge and creating cross country skiing facilities at the new resort. The new loan will be in the amount of \$174,000, and has been reviewed by the committee who is recommending this for your approval. Please review today's Resolution No. 2019-09-103 which would issue a negative declaration, further stating that this proposed action would not result in any adverse environmental impacts relating to the ski lodge being constructed with these funds.

Upon a motion by D. Mastascusa, and seconded by A. Calligaris, Resolution No. 2019-09-103, Regional Tourism Transformational Community Revolving Loan Fund, Osceola Ski and Sport Resort, LLC, SEQRA Negative Declaration, was unanimously approved by the Project Development Committee.

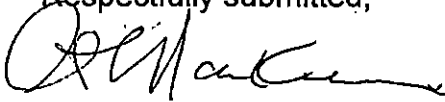
9. Resolution No. 2019-09-104, rescinds Resolution No. 2018-10-116, and further ratifies a loan in the amount of \$174,000 from the Regional Tourism Transformational Community Revolving Loan Fund to the Osceola Ski and Sport Resort, LLC. This resolution authorizes the Executive Director or Deputy Executive Director/CFO to execute all documents necessary to complete this loan.

Upon a motion by D. Mastascusa, and seconded by J. Hollenbeck, Resolution No. 2019-09-104, Regional Tourism Transformational Community Revolving Loan Fund, Osceola Ski and Sport Resort, LLC, was unanimously approved by the Project Development Committee.

M. Capone added that at each of these meetings she gives an update on the Grown and Certified Program. Since the last meeting a grant to Adam Caiazza with Kate Mountain Farms in Franklin County has been approved, as well as Bill Siebels of Siebels Farm in Gouverneur. For full disclosure purposes, Mr. Siebels is the brother-in-law of Mr. MacKinnon, and Mr. MacKinnon recused himself from all action relating to this grant.

The meeting was adjourned at 9:59 AM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alex MacKinnon", written in a cursive style.

Alex MacKinnon
Chairman, Project Development Committee