MINUTES
PROJECT DEVELOPMENT COMMITTEE MEETING
Wednesday, March 28, 2018 – 10:45 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, 1st Floor, 317 Washington Street, Watertown, New York on Wednesday, March 28, 2018 at 10:45 am.

Committee Members Present
Alex MacKinnon, Chairman
Thomas Hefferon
Margaret Murray
James Hollenbeck
Stephen Hunt

Committee Members Absent
Mary Doheny

Other Board Members Present
Dennis Mastascusa
Fredrick Carter
Gary Turck
Alfred Calligaris

Staff Present
James Wright, Executive Director
Michelle Capone, Dir, Regional Development
Carl Farone, Comptroller
Patricia Pastella, Division Manager MMF
Carrie Tuttle, Director of Engineering
David Wolf, Director of Technology
Brian Nutting, Manager, Water Quality
Laurie Marr, Director of PR/Communications
Jo Anne Yaddow, Executive Assistant
Angela Marra, Administrative Associate

Guests
Richard James (Authority Counsel)

1. Chairman MacKinnon opened the meeting at 10:38 AM and turned the meeting over to M. Capone.

2. Resolution No. 2018-02-45 reauthorizes a loan in the amount of $34,000 from the Regional Tourism Transformational Community Revolving Loan Fund to the Faust Motel, LLC, at the revised terms and conditions outlined on the Term Sheet. The address originally listed on Resolution No. 2017-12-122 was incorrectly listed as 41 Paskungameh Road, has been corrected to the locations actual address of 151 Main Street, Tupper Lake. This resolution further authorizes the Executive Director to execute all documents necessary to make the loan. This is considered a Type II Action under the State Environmental Quality Act (SEQRA) and is considered an exempt activity requiring no further action.

   Upon a motion by T. Hefferon, and seconded by M. Murray, Resolution No. 2018-03-45, Regional Tourism Transformational Community Revolving Loan Fund – The Faust Motel, LLC – Reauthorize Loan, was unanimously approved by the Project Development Committee.
3. Resolution No. 2018-03-46 authorizes the write-off of the Carthage Specialty Paperboard, Inc. loans, both funded by the Community Development Loan Fund and North Country Economic Development Fund. The NCEDF loan is being written off based on the review and recommendation by the North Country Economic Development Fund Board. The Executive Director is directed to make adjustments to the Authority’s financial statements to reflect this transaction.

M. Capone also stated that when Carthage Specialty Paperboard filed Chapter 11 bankruptcy on March 3, 2018, we engaged our attorneys thru Mackenzie Hughes to represent the Authority as well as the other lenders. Unfortunately it appears we are not going to recover anything thru the bankruptcy, resulting in the recommendation of the write off.

A Calligaris asked why this was not being set up as an allowance for bad debt. M. Capone replied that rather than set up an allowance we would write it off considering it is unlikely we will collect anything. However, we are still continuing to make an all attempts to collect on this debt.

**Upon a motion by T. Hefferon, and seconded by M. Murray, Resolution No. 2018-03-46, Authorizing the Write-Off of Certain Loan Receivables as Bad Debt, was unanimously approved by the Project Development Committee.**

4. Resolution No. 2018-03-47 approves a loan to the Thousand Islands Habitat for Humanity from the Community Rental Housing Program at the terms and conditions outlined within the term sheet, in an amount not to exceed $200,000, and further authorizes the Executive Director to execute all documents necessary to make the loan. The Authority authorizes the Project Development Committee to approve the disbursement of funds from the loan to Habitat for Humanity for specific projects. This is considered a Type II Action under the SEQRA and is considered an exempt activity requiring no further action.

M. Capone further explained that this will function as a bridge loan to cover any Empire State Poverty Reduction Initiative (ESRPI) requests toward this grant until the grant funds are received.

**Upon a motion by T. Hefferon, and seconded by J. Hollenbeck, Resolution 2018-03-47, Community Rental Housing Program – Thousand Island Habitat for Humanity - Loan, was unanimously approved by the Project Development Committee.**

5. Resolution No. 2018-03-48 approves a construction loan line of credit in an amount not to exceed $150,000 to the Thousand Islands Habitat for Humanity from the Affordable Rental Housing Program at the terms and conditions outlined on the Term Sheet in an amount not to exceed $150,000, and further authorizes the Executive Director to execute all documents necessary to make the loan. The Authority authorizes the Project Development Committee to approve the disbursement of funds from the loan to Habitat for Humanity for specific projects. The Authority does hereby rescind Resolution No. 2013-06-04 as the commitment has expired. This is considered a Type II Action under the SEQRA and is considered an exempt activity requiring no further action.
M. Capone explained that this is similar to Resolution No. 2018-03-47, but will be for funding actual projects such as construction financing, not just those with ESPRI funds.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution 2018-03-48, Affordable Rental Housing Program – Thousands Islands Habitat for Humanity – Loan, was unanimously approved by the Project Development Committee.

6. Resolution No. 2018-03-49 authorizes the Director of Regional Development to submit an application to the U.S. Department of Economic Adjustment for funding to implement recommendations set forth in the Joint Land Use Study (JLUS).

M. Capone added that the JLUS Study was completed on February 8, 2018 and that the JLUS information has been posted on the Authority website as well as the Fort Drum Compatibility site. Once the money has been awarded, M. Capone will then come back to the board to accept the funds.

Upon a motion by T. Hefferon, and seconded by J. Hollenbeck, Resolution 2018-03-49, Application for Funds – Office of Economic Adjustment – Joint Land Use Implementation Funding, was unanimously approved by the Project Development Committee.

7. Resolution No. 2018-03-50 authorizes the use of an additional $300,000 from the Community Development Loan Fund bringing the total funding to an amount not to exceed $1,300,000 to bridge North Country Redevelopment Funds until proceeds are received from Empire State Development associated with Project Number Z940 and further authorizes the Executive Director to execute all documents necessary for the transfer of funds.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Resolution 2018-03-50, Community Development Loan Fund – Bridge Loan for North Country Redevelopment Funds – Proceeds From Empire State Development Grant, was unanimously approved by the Project Development Committee.

B. McGrath entered the meeting at 10:44 AM.

8. Resolution No. 2018-03-51, ratifies a loan in the amount of $60,000 from the Regional Tourism Transformational Community Revolving Loan Fund to Long Lake Hotel Corporation, at the terms and conditions reflected within the term sheet. This resolution further authorizes the Executive Director to execute all documents necessary to make 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.

M. Capone further added that the improvements being done to the property are DEC required updates to the property’s septic system following a 100 year flood in 2011.

Upon a motion by D. Mastascusa, and seconded by J. Hollenbeck, Resolution 2018-03-51, Regional Tourism Transformational Community Revolving Loan Fund – Long Lake
Hotel Corporation – Loan, was unanimously approved by the Project Development Committee.

9. Resolution No. 2018-03-52, ratifies a loan in the amount of $60,000 from the Regional Tourism Transformational Community Revolving Loan Fund to Woods Inn 1894, LLC, at the terms and conditions reflected within the term sheet. This resolution further authorizes the Executive Director to execute all documents necessary to make 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.

Upon a motion by T. Hefferon, and seconded by M. Murray, Resolution 2018-03-52, Regional Tourism Transformational Community Revolving Loan Fund – Woods Inn 1894, LLC – Loan, was approved with S. Hunt abstaining from this vote.

T. Hefferon asked if the previously discussed parcel was included in there, or was it separate? M. Capone responded that it was a subdivided separate parcel and we would be taking a position behind the bank on that parcel.

The meeting was adjourned at 10:47 AM.

Respectfully submitted,

Alex MacKinnon
Chairman, Project Development Committee