Minutes approved via email vote 10/23/2022

**North Country Alliance Local Development Corporation**

**Loan Review Committee Meeting**

**Thursday, August 25 2022 at 1PM**

**Minutes**

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Thursday, August 25, 2022 at 1:00 PM via conference call. Dial information (315)661-3250; User: 482; Password: 482

**Present:** Marijean Remington**,** Ross Pancoe, Brian Gladwin, Al Dunham, and Steve Hunt

**Excused:** Ron Bacon

**Others:** Matt Siver and Michelle Capone (DANC)

**Call to Order:**

1. Loan Review Request – Sally Port View, LLC. – Request for $112,500 for 5 years at 20 year amortization with a 6 month interest only period. M. Siver presented the committee with a summary of the write-up and contingencies. B. Gladwin asked if anyone had an comments or questions and S. Hunt indicated that he had some comments as he is working on the potential grant for Empire State Development. S. Hunt indicated that the $1.425 million grant award may be reduced if there are some costs that ESD cannot include in the project, although that is not a large number. He also indicated that he has been to the project site and partial construction has started. S. Hunt indicated that the parcel where they plan to construct the facility does not have any other similar facilities in the area and thought that could be a positive or a negative depending on how that is viewed. B. Gladwin asked what the status of the lead lender was Pursuit/Watertown Savings Bank and if they had approved their portion yet. M. Siver indicated he has not received an update from the bank and M. Capone indicated that it is still in the approval process, although she has reached out to the bank for an update. M. Capone mentioned that she has spoken with Corey from the Thousand Islands Tourism Council in regard to the project and he thought the project was feasible and a good fit for the local area despite the lack of housing on the site location. Corey sighted the fact that Sally Port View is working with local motels and hotels for lodging for events and plans to utilize a shuttle service such as; Clarence Henry Coach. B. Gladwin asked the time table for construction and was under the impression that they plan to be open in the spring. M. Capone indicated that is the case and they are trying to fast tract approvals to engage the contractor for the remaining work to lock in the pricing for construction and she noted that the JCIDA loan review committee approved their loan. B. Gladwin asked about the $2,639,874 in equity as shown on the balance sheet at closing and M. Capone indicated that the equity is made up of the ESD grant and cash equity in the project. B. Gladwin indicated that he had a few additional comments and then would turn it over for anyone else, he highlighted the fact that the project is solely based on projections and is risky, however, a project of this size would be great for the local area/region and the principal, Mr. Bennett, has impressive credentials. M. Remington had questions in regard to the construction schedule and timing for kickoff as she thought the construction schedule was aggressive and many contractors were already booked. S. Hunt indicated that he could shed some light on that as he visited the location and indicated to the committee that the project was previously full steam ahead with some of the footers poured and some construction started. S. Hunt told the committee that some of the project financing had fallen through and the request for grant funds and public loan funds is a result of the reapplication for financing through Pursuit, Watertown Savings Bank, and the public lenders in combination with the grant funds. S. Hunt felt that if the project could come to fruition it would be great for the Northern New York area. M. Remington asked about the quality of the contractors, Goutremout Brothers Construction and M. Siver, M. Capone, and S. Hunt indicated that they have heard of them and believe they are well established, however, they cannot speak to their work quality. M. Remington also asked if there was an architect for the project and S. Hunt indicated that it was Mike Aubertine. B. Gladwin asked R. Pancoe about how Pursuit goes about construction management for a large project like this one and R. Pancoe expressed that he is not involved in the project and he first saw this through the NCA write-up, however, the requested loan is very large and Pursuit typically monitors these types of projects closely. R. Pancoe indicated that most likely Pursuit has a qualified construction monitor to confirm every construction advance. R. Pancoe indicated that a 5 million dollar SBA 7A loan is the largest loan available and would be watched very closely. The committee discussed when the NCA should come in with our funds during construction or after construction. The committee agreed that the NCA should come in after substantial completion of construction at 80%. M. Capone told the committee that the permits have been issued, there are no zoning issues, and SEQR was completed by the Town.
   * 1. Motion: M. Remington
     2. Second: A. Dunham
     3. Additional contingency of NCA funds to be disbursed at 80% construction completion.
     4. Approved 08/25/2022

The next North Country Alliance Loan Review Committee meeting is scheduled to be held TBD.