

north country alliance



North Country Alliance Local Development Corporation

FY 2019 ANNUAL REPORT

Message from the President

On behalf of the Board of Directors for the North Country Alliance Local Development Corporation, I respectfully submit the organization's Annual Report for the Fiscal Year Ending December 31, 2019. The North Country Alliance is proud of its commitment to community and economic development across the 7-county North Country region of New York State. In 2019, we closed on 6 projects totaling \$797,500 in funding. These projects leveraged over \$2 million in investment, creating or retaining approximately 58 jobs.

In 2019, the Board increased the amount of funding available for working capital loans through the Regional Revolving Loan Trust Fund from \$75,000 to \$100,000. This was consistent with the program guidelines. These funds assist businesses with working capital assistance.

At the time of this letter, our country is in the midst of fighting a very serious threat to public health and safety-COVID-19. This will have an impact on our regional businesses. The NCA is committed to assisting our businesses both now and in the future.

The Board of Directors looks forward to 2020 and to providing our members with resources to grow and expand the economy and communities of the North Country.

Very Truly Yours,

Marijean Remington, President

At A Glance:

- ✓ Closed on 6 loans totaling \$797,500 leveraging \$2 million and creating or retaining 58 jobs.
- ✓ Additional \$290,000 committed to projects that have not yet closed as of 12/31/19.
- ✓ Increased working capital loans from \$75,000 to \$100,000 consistent with program guidelines.



Chamberlain LLC, aka Seaway Rental, received funding from NCA in 2019.

Projects Closed in 2019

The North Country Alliance closed on six loans in 2019. These projects are as follows:

- ✓ LC Drives Corporation in the amount of \$125,000 for working capital to bridge Series A financing. The company is developing next-generation electric motors and generators. It is located in Potsdam, St. Lawrence County;



- ✓ Chamberlain LLC, also known as Seaway Rental, located in Watertown, Jefferson County, received \$157,500 to purchase an adjacent facility. The project will allow the company to move repairs and maintenance inside and expand its operations.

- ✓ Homes for Humanity Holdings I, LLC, located in Lowville, Lewis County, received \$65,000 for the purchase of a 20-bed residential assisted living facility in Lowville. The business will retain or create 11 FTE positions.



- ✓ Osceola Ski and Sport Resort, LLC borrowed \$50,000 for working capital to assist with the start-up of a cross-country ski facility in Osceola, Lewis County. Other lenders in this project included the Lewis County IDA and Development Authority of the North Country.
- ✓ War Canoe Spirits, LLC received an additional \$200,000 for working capital to bridge state grant financing. The business is renovating a building that will house their new distillery in Crown Point, Clinton County.
- ✓ Bowe and Arrow, LLC, is a start-up restaurant, located in Malone, Franklin County. The NCA committed \$175,000 to the project of which we closed on \$75,000 for improvements to the space. The additional \$100,000 is for working capital when the business opens.

Outstanding Commitments in 2019

- ✓ Turning Point of the Black River LLC, received \$50,000 to start-up a new restaurant in Carthage, Jefferson County.
- ✓ Solsberry's Bar and Grill received \$65,000 in working capital to start-up a restaurant in Canton, St. Lawrence County.
- ✓ Bowe and Arrow, LLC has a \$50,000 loan for working capital to close on in 2020.

Education and Outreach

The North Country Alliance is a voice for its members on issues relating to economic and community development in New York's 7-county North Country region. The 7-county North Country region includes Jefferson, Lewis, St. Lawrence, Clinton, Essex, Franklin and Hamilton Counties. In order to identify issues the Board created an Education and Outreach Committee.

This committee is comprised of members and meets at the beginning of the calendar year to review the Governor's Executive Budget. The committee seeks input from the membership to identify issues that affect development in the region like infrastructure, workforce development, education, utilities, healthcare, and funding, among others. The committee then recommends the legislative agenda to the Board of Directors for acceptance.

In 2019, representatives from the North Country Alliance met with their state elected officials in the district to educate them on the issues that most affected the region. Issues included, among others:

- Supporting continued funding for Round VIII of the REDC Competition, Downtown Revitalization Program, infrastructure improvements, and the Technology Development Organizations and Manufacturing Extension Programs.
- Opposing the imposition of a prevailing wage mandate on economic development projects. This act would be detrimental to the North Country.
- Opposing language reauthorizing, and ultimately expanding, MWBE requirements on projects funded with public funds. Any legislation to expand the current MWBE requirements, or increase goals, must reflect a regional percentage consistent with a region's diversity and disparity
- Opposing the extension of the 18-a energy surcharge for an additional 7 years. This surcharge negatively impacts NNY manufacturers.

Communications

The North Country Alliance holds two face-to-face membership meetings throughout the year. The annual meeting was held June 19, 2019 at the Mirror Lake Inn, Lake Placid. This location is centrally located within the region. The guest speakers at this year's meeting were Mathew Miller, Director of Community Development, City of Plattsburgh, Andrea Smith, Director of Planning and Development, City of Ogdensburg, and Reg Schweitzer, Executive Director, Neighbors of Watertown. The theme for the discussion was « How Community Development is Shifting in the North Country ». Mr. Miller and Mr. Schweitzer also provided insight on the DRI as both Plattsburgh and Watertown were recipients of funding. The Fall Forum was held in October at Clarkson University, Potsdam. This meeting was facilitated by members of the North Country Regional Economic Development Council and focused on information sharing and gathering regarding the North Country economy. Over 50 individuals attended from a variety of local and private organizations from across the region. The information gathered was shared with the Regional Council and was considered in preparing the NCA's Education and Outreach Agenda for 2020.

Audit and Finance

BALANCE SHEET

	2019	2018
Total Assets	\$4,420,358	\$4,336,829
Total Liabilities	\$3,289,619	\$3,429,949
Total Net Assets	\$1,130,739	\$906,880
Total Liabilities and Net Assets	\$4,420,358	\$4,336,829

The Audit and Finance Committee met throughout the year to review the North Country Alliance's financial statements. The senior partner in charge of the audit changed in 2019.

- ✓ Primary assets are comprised of restricted cash and loans receivable.
- ✓ Primary liabilities are loans owing to the U.S. Department of Agriculture and Empire State Development.
- ✓ Current liabilities increased due to payment to Empire State Development for the Small Business Revolving Loan Fund. NCA requested a time extension from ESD ; however, approval is still pending.
- ✓ Net assets are primarily restricted to funding sources.

INCOME STATEMENT FYE 2019

	ESD SBRLF	UDC	USDA IRP	USDA RBEG	Unclassified	Total
Income	\$41,296	\$335,156	\$68,358	\$3,698	\$20,865	\$469,372
Expense	\$88,958	\$52,604	\$96,368	\$0	\$7,582	\$245,513
<i>Net Income</i>	<i>(\$47,662)</i>	<i>\$282,552</i>	<i>(\$28,010)</i>	<i>\$3,698</i>	<i>\$13,283</i>	<i>\$223,859</i>

ESD SBRLF – Empire State Development Small Business Revolving Loan Fund

UDC – NYS Urban Development Corporation Funding

USDA IRP – U. S. Department of Agriculture Intermediary Relending Program

USDA RBEG – U.S. Department of Agriculture Rural Business Enterprise Grant

- ✓ Income and expenses are charged to funding sources and restricted, unless otherwise unrestricted by the regulatory agency for administrative expenses associated with the specific fund.
- ✓ Primary income is interest income from the repayment on loans.
- ✓ Primary expenses are the portfolio management fees, interest paid on loans to USDA and ESD, and insurances.
- ✓ UDC reflects \$318,661 in grant income from NYS.
- ✓ Expenses reflect bad debt for L.K.R. Enterprises as follows : ESD SBRLF \$42,959, UDC \$44,834, and USDA IRP \$42,959. Unclassified bad debt expense reflects \$2,868 to adjust allowance for doubtful accounts.

Membership

Community Bank	Watertown Savings Bank	Plattsburgh-North Country Chamber of Commerce	Adirondack Economic Development Corporation
CITEC Business Solutions	Croniser, Lawrence, & Philippe CPAs, LLC	Development Authority of the North Country	Essex County IDA
Franklin County IDA	Jefferson County Economic Development	Village and Town of Canton	Watertown Local Development Corporation
Workforce Development Institute	New York Power Authority	SLIC Network Solutions	Village of Potsdam
Arconic Inc.	Atlantic Testing Laboratories	M&T Bank	Curran Renewable Energy, LLC
Adirondack North Country Association	Lewis County IDA	St. Lawrence County IDA	St. Lawrence University
National Grid	New York Business Development Corporation	NBT Bank	Greater Watertown North Country Chamber of Commerce/PTAC
St. Lawrence County Chamber of Commerce	Business Development Corp for a Greater Massena	SBDC at SUNY Canton	Bowers and Company
Hamilton County	Clarkson University/Shipleigh Center for Innovation	Clinton County	Alcoa-Massena Operations
Ogdensburg Growth Fund	International Paper	Lakeside Container	ReEnergy Holdings LLC
Twinstare	Wladis Law Firm	Aubertine & Currier	Stebbins Engineering
Hi-Lite Airfield Services, LLC			

Board of Directors

Officers

Marijean Remington	President
Eric Virkler	Vice President
Joseph Russo	Secretary
David Zembiec	Treasurer
James Wright	Closing Agent

Directors

Patrick Kelly	Franz Philippe
Carol Calabrese	Duane Pelkey
Benjamin Dixon	Donna Wadsworth
Eric Virkler	Brian Gladwin
Jeremy Evans	Christy Wilt
Renee McFarlin	Kate Fish
Vacant	

For more information on the North Country Alliance go to
www.northcountryalliance.org.

