The Development Authority of the North Country

• Created in 1985 to develop, own and operate infrastructure in three counties surrounding Fort Drum.

• Own water and wastewater lines from Watertown to Fort Drum; regional water line through western Jefferson County; regional solid waste management facility in Rodman; 1,500+ mile open access telecommunications network.

• Provide contract operations and maintenance services to municipalities across 3-counties.

• Administer regional business and housing revolving loan funds including agricultural programs and initiatives.
The Development Authority of the North Country

- Regional Development
  - Manage $38.5 million of affordable housing revolving loan funds.
  - Manage $7.2 million of community development loan funds.
  - Provide loan underwriting for St. Lawrence County IDA, Town of Gouverneur, and Ogdensburg Growth Fund.
  - Provide administrative services for the City of Ogdensburg’s housing program.
  - Provide technical assistance to communities, as well as grant writing.
North Country Alliance (NCA)

Serving Jefferson, Lewis, St. Lawrence, Clinton, Franklin, Essex and Hamilton Counties.
North Country Alliance (NCA)

- Founded in 1988, the NCA is a not-for-profit consortium of economic development organizations, public and private entities working together to improve the economy of the North Country.

- NCA is capitalized with funds from the USDA Intermediary Relending Program, USDA Rural Business Enterprise Grant Program, New York State Urban Development Council, and New York State Small Business Revolving Loan Fund.

- **Eligible Projects:** Finance acquisition, start-up and expansion businesses.

- **Eligible Applicants:** For profit and not-for-profit organizations with 100 employees or less.

- **Eligible Use of Funds:** Real estate, machinery and equipment, furniture and fixtures, inventory, accounts receivable and working capital.
North Country Alliance (NCA)

• **Loan Amount:** The lesser of $225,000 or 40% of the project cost.

• **Loan Terms:** Working capital, inventory and accounts receivable (up to 5 years) and fixed assets (up to 15 years).

• **Interest Rate:** WSJ prime minus 1 with a floor of 5% set at loan closing.

• **Payments:** Traditional, balloon, seasonal, and interest-only may be permitted.

• **Fees:** $100 application fee and a commitment fee equal to greater of $500 or 1% of the loan. Closing costs are the responsibility of the borrower.
## North Country Alliance (NCA)

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<tr>
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<th>Owner *</th>
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<td>$0</td>
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<tr>
<td>Working Capital</td>
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<td>$80,000</td>
<td>$20,000</td>
<td>$200,000</td>
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</table>

50% 40% 10%

*NCA requires at a minimum 5% cash.*
North Country Alliance (NCA)

- Subordinate Lender – Typically in second lien position behind senior lender.
- Require a 1:1 loan-to-value (Board may consider exceptions where there are unique circumstances like significant job creation/retention or strong historical cash flow performance.)
- May require additional personal assets as collateral.
- Require Key Person life insurance.
- Require personal guarantees of borrowers. (Traditionally follow SBA requirement of 20% or more ownership.)
- Often NCA will mirror senior lender’s conditions.
North Country Alliance (NCA)

Application and Approval Process

• Loan Review Committee meets monthly on the second Tuesday of every month to recommend/or not recommend loans to the Board.

• Board of Directors meets the third Wednesday of every month and has final approval over all loans.

• Applications are available from Loan Sponsor Organizations. These are local economic development organizations that assist with the application process. List of loan sponsors is available online at www.northcountryalliance.org or by calling Matt Siver at Development Authority of the North Country at (315)661-3200 or by email at msiver@danc.org.

“This institution is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.”
North Country Economic Development Fund (NCEDF)

Serving St. Lawrence, Clinton, Franklin, Essex, Jefferson, Lewis, Hamilton, Herkimer Counties and the Akwesasne Mohawk Reservation
North Country Economic Development Fund (NCEDF)

- Created in 2014, the NCEDF is an economic development loan program to create jobs across the North Country region. The program was capitalized with $10 million from Alcoa to the New York Power Authority as part of the terms of its modernization project agreement at its west facility.
North Country Economic Development Fund (NCEDF)

- **Eligible Projects**: Manufacturing, agri-businesses, clean/green bio-tech businesses, assemblers, wholesale distributors and warehouses. Retail/market driven projects will be considered with the following requirements: 1) tourism – related projects that will attract significant visitors; 2) projects that without the help of the NCEDF would locate jobs outside of the state; and/or 3) projects that make available goods and services to the community that, not for the loan, would not be reasonably accessible to the residents of the community where the project would be located.

- **Eligible applicants**: For-profit business; not-for-profit corporations and business improvement districts may be eligible for community revitalization projects.

- **Eligible use of funds**: Real estate, improvements, machinery and equipment, furniture and fixtures, inventory, and working capital.
North Country Economic Development Fund (NCEDF)

- **Loan Amount**: Loans cannot exceed 30% of the total project cost, or $300,000, whichever is less.
  - $25,000 in NCEDF dollars per 1 job created/retained.

- **Loan Terms**: Working capital, inventory and furniture and fixtures (up to 5 years); machinery and equipment (up to 10 years); real estate (up to 15 years).

- **Interest Rate**: Fixed rate computed at one-half of the WSJ Prime rate plus one half of one percent (0.5%) when the Prime rate is less than or equal to four (4.0%) percent; or one-half of the WSJ Prime rate plus one percent (1.0 %) when the prime rate is greater than four (4.0%) percent, with no floor and no ceiling. Prime rate shall be that published in WSJ 5 business days prior to loan closing.

- **Payments**: Traditional, balloon, seasonal, and interest-only may be permitted.

- **Fees**: $100 application fee and a commitment fee equal to 1% of the loan. Closing costs are the responsibility of the borrower.
**North Country Economic Development Fund**

<table>
<thead>
<tr>
<th></th>
<th>Bank</th>
<th>NCEDF</th>
<th>Other Public</th>
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<tr>
<td><strong>Inventory</strong></td>
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<td><strong>Working Capital</strong></td>
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<td>$90,000</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$300,000</td>
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</table>

|                | 50%   | 30%   | 10%          | 10%   |

*Would require at a minimum 4 jobs created/retained in order to qualify for $90,000 in funding.*

*Co-proportional lien with Other Public Lender on assets.*
North Country Economic Development Fund (NCEDF)

- Minimum 10% owner cash/equity.
- Subordinate Lender – Typically in second lien position behind senior lender.
- Require a 1:1 loan-to-value (Board may consider exceptions where there are unique circumstances like significant job creation/retention or strong historical cash flow performance.)
- May require additional personal assets as collateral.
- May require Key Person life insurance.
- Require personal guarantees of borrowers. (Traditionally follow SBA requirement of 20% or more ownership.)
North Country Economic Development Fund (NCEDF)

Application and Approval Process


- NCEDF Board meets as required to conduct business. Makes all decisions regarding approval of loans. The Empire State Development and New York Power Authority representatives most vote in favor of the loan in order for it to be approved.

- Applications available by contacting Michelle Capone at mcapone@danc.org or calling 315-661-3200.
North Country Value Added Agriculture Fund

Serving St. Lawrence, Clinton, Franklin, Essex, Jefferson, Lewis, Hamilton Counties
North Country Value Added Agriculture Fund

• Founded in 2014 with $1 million from the North Country Regional Economic Development Council to improve productivity and crop yields to increase the availability of value added agriculture products to markets.

• **Eligible Projects**: Projects for the purpose of establishing, maintaining, or expanding an agricultural operation, or for providing facilities and/or markets for the production, manufacturing, processing, warehousing, distribution or sale of crops, livestock and livestock products.

• **Eligible Applicants**: Individual, farm or small business having 100 or fewer employees.

• **Eligible Use of Funds**: Real estate, improvements, machinery and equipment, furniture and fixtures. Funds cannot be used for construction financing but may be used as permanent financing upon completion of the construction project. [Excludes hotels and residential uses]
North Country Value Added Agriculture Fund

- **Loan Amount**: Loans cannot exceed 40% of the total project cost, or $250,000, whichever is less.

- **Loan Terms**: Machinery and equipment (up to 10 years); real estate (up to 20 years).

- **Interest Rate**: The greater of one-half (1/2) of the Wall Street Journal prime rate fixed at closing, or a floor of 3%, whichever is higher at the time of closing.

- **Payments**: Traditional, balloon, seasonal, and interest-only may be permitted. No prepayment penalty.

- **Fees**: $100 application fee and a commitment fee equal to 1% of the loan. Closing costs are the responsibility of the borrower.
**North Country Value Added Agriculture Fund**

<table>
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<tr>
<th></th>
<th>Bank</th>
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<td><strong>$120,000</strong></td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>50%</th>
<th>40%</th>
<th>10%</th>
</tr>
</thead>
</table>

*Value-Added Agriculture Funds could be considered equity by a lender in a project since term can match bank’s.*
North Country Value Added Agriculture Fund

• Requires 20% of purchases made with these funds be from a NYS certified minority or woman-owned business enterprise.

• Subordinate Lender – Typically in second lien position behind senior lender.

• Require a 1:1 loan-to-value (Board may consider exceptions where there are unique circumstances like significant job creation/retention or strong historical cash flow performance.)

• May require additional personal assets as collateral.

• May require Key Person life insurance.

• Require personal guarantees of borrowers. (Traditionally follow SBA requirement of 20% or more ownership.)
Application and Approval Process


• NCEDF Board meets as required to conduct business. Makes all decisions regarding approval of loans. The Empire State Development and New York Power Authority representatives most vote in favor of the loan in order for it to be approved.

• Applications available by contacting Michelle Capone at mcapone@danc.org or calling 315-661-3200.
North Country Transformational Community Tourism Fund

Serving St. Lawrence, Clinton, Franklin, Essex, Jefferson, Lewis, Hamilton Counties
North Country Transformational Community Tourism Fund

- Founded in 2013 with $2 million from the North Country Regional Economic Development Council to assist in furthering tourism-related development projects that will have a transformation impact on North Country communities.

- **Eligible projects:** Projects with a priority that enhance the quality and quantity of lodging in the region, and supporting tourism-related facilities which enhance the region’s quality of life.

- **Eligible applicants:** For-profit business.

- **Eligible use of funds:** Real estate, improvements, machinery and equipment, and furniture and fixtures.
North Country Transformational Community Tourism Fund

- **Loan Amount**: Loans cannot exceed 20% of the total project cost, or $250,000, whichever is less.

- **Loan Terms**: Machinery and equipment (up to 10 years); real estate (up to 20 years).

- **Interest Rate**: 1% Fixed

- **Payments**: Traditional, balloon, seasonal, and interest-only may be permitted. No prepayment penalty.

- **Fees**: $250 application fee; .5% commitment fee; 2% processing fee. Closing costs are the responsibility of the borrower.
North Country Transformational Community Tourism Fund

<table>
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<td>$60,000</td>
<td>$600,000</td>
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|                  | 63%   | 20%          | 7%           | 10%   |

*Transformational Community Tourism Funds could be considered equity by a lender in a project since term can match bank’s.*

**Co-proportional lien position with Other Public Lender on assets.*
North Country Transformational Community Tourism Fund

- Requires 13% of purchases made with these funds be from a NYS certified minority-owned business enterprise and 10% of purchases be made from a NYS certified woman-owned business enterprise.

- Hotel projects involving new construction must demonstrate compliance with Section 2879-b of the Public Authorities Law regarding Labor Peace.

- Require a 1:1 loan-to-value (Board may consider exceptions where there are unique circumstances like significant job creation/retention or strong historical cash flow performance.)

- May require additional personal assets as collateral.

- May require Key Person life insurance.

- Require personal guarantees of borrowers. (Traditionally follow SBA requirement of 20% or more ownership.)
North Country Transformational Community Tourism Fund

Application and Approval Process

• Transformational Tourism Committee comprised of representation from the Development Authority of the North Country, Empire State Development and two representatives from the North Country Regional Economic Development Council.

• Transformational Tourism Committee meets as required to conduct business. The Committee has the ability to make commitments. Final loan approval is made by the Development Authority of the North Country Board of Directors at their next board meeting.

• Applications available by contacting Michelle Capone at mcapone@danc.org or calling 315-661-3200.
North Country Digital Film Projector Conversion Program

Serving St. Lawrence, Clinton, Franklin, Essex, Jefferson, Lewis, Hamilton Counties
North Country Digital Film Projector Conversion Program

• Founded in 2013 with $400,000 from the North Country Regional Economic Development Council to assist community movie theaters to purchase digital film projectors in order to convert to digital film. The program will sunset upon commitment of the funds.

• **Eligible projects**: To bridge fundraising efforts to purchase digital film projectors

• **Eligible applicants**: For profit and not for profit theaters

• **Eligible use of funds**: Purchase digital film projector and associated capital equipment.
North Country Digital Film Projector Conversion Program

- **Loan Amount**: Loans cannot exceed 50% of the total project cost, or $50,000, whichever is less.

- **Loan Terms**: Machinery and equipment (up to 7 years)

- **Interest Rate**: 1% Fixed

- **Payments**: Traditional principal and interest payments; seasonal repayments may be permitted; interest-only payments cannot exceed 12 months. Balloon payments considered.

- Annual financial statements due 90 days after fiscal year end.

- For an application contact Michelle Capone, Director of Regional Development by phone at (315) 661-3200 or at mcapone@danc.org.
Community Development Loan Fund

Serving St. Lawrence, Jefferson, and Lewis Counties
Community Development Loan Fund (CDLF)

• Founded in 1990, CDLF was created to provide a source of flexible debt financing structured to support economic development projects in the North Country.

• Eligible projects: Manufacturing, warehousing and distribution, industrial reuse, downtown/commercial redevelopment, infrastructure, tourism, healthcare, telecommunication facilities, agri-business and selected agricultural projects.

• Eligible applicants: Private for-profit and not-for-profit organizations.

• Eligible use of funds: Real estate, improvements, machinery and equipment, furniture and fixtures, inventory and working capital.
Community Development Loan Fund (CDLF)

- **Loan Amount**: Targeted at the lesser of $250,000 or 40% of the total project cost; requests, however, will be considered on a case-by-case basis.

- **Loan Terms**: Working capital (up to 5 years); Fixed Assets determined by useful life of asset financed.

- **Interest Rate**: A target rate of Prime minus 2 with a floor of 4%, adjusted every five years depending upon term, has been established; however, will be considered on a case-by-case basis.

- **Payments**: Traditional, balloon, seasonal, and interest-only may be permitted. No prepayment penalty.

- **Fees**: None.
Community Development Loan Fund (CDLF)

- Owner cash/equity of at least 10% of total project costs required.

- Require a 1:1 loan-to-value (Board may consider exceptions where there are unique circumstances like significant job creation/retention or strong historical cash flow performance.)

- May require additional personal assets as collateral.

- May require Key Person life insurance.

- Require personal guarantees of borrowers. (Traditionally follow SBA requirement of 20% or more ownership.)

Redevelopment of former Mercy Hospital Complex
Community Development Loan Fund (CDLF)

Application and Approval Process

• Applications due 30 days prior to Board of Directors meeting. Schedule available on-line at www.danc.org.

• Projects reviewed by Project Development Committee and recommended to the Board of Directors for approval. The Board of Directors has final approval for loans.

• Applications available by contacting Michelle Capone at mcapone@danc.org or calling 315-661-3200.
Farmland Drainage Loan Fund

Serving St. Lawrence, Jefferson, and Lewis Counties
Farmland Drainage Loan Fund

• Founded in 2000, the Farmland Drainage Loan Fund was created to provide low-interest loans to the farming community in order to increase crop production yields through farmland drainage.

• **Eligible applicants:** Farming must be the applicant’s primary business. Land to be drained should presently be productive farmland that with drainage would improve crop production yields.

• **Eligible use of funds:** Purchase, installation and associated soft costs to install drainage systems to lands presently producing crops. Drainage includes both subsurface and surface systems.
Farmland Drainage Loan Fund

- **Loan Amount**: Loans cannot exceed $20,000.
- **Loan Term**: 5 Years
- **Interest Rate**: The greater of one-half (1/2) of the WSJ prime rate fixed at closing, or a floor of 3%.
- **Payments**: Annual
- **Fees**: None
- **Minimum owner cash of 50% of the total loan amount. (i.e. $20,000 loan=$10,000 cash)**
Farmland Drainage Loan Fund

• Applications accepted on a rolling-basis as funding is available.

• Partner with County Soil and Water Conservation Offices to review applications. Soil and Water determines if projects are feasible.

• If approved, applicant completes the project. Upon completion of the project, Soil and Water inspects the project for completion.

• Upon notification of project completion by Soil and Water, the Authority issues the Promissory Note.

• Applications available by contacting Matt Siver at msiver@danc.org or calling 315-661-3200, or by going to www.danc.org/operations/community-development/business-development.
Development Authority Value-Added Agriculture Fund

Serving St. Lawrence, Jefferson, and Lewis Counties
Development Authority Value-Added Agriculture Fund

- Created in 2011, the Program was created to increase the availability of value-added agriculture products to markets.

- Eligible applicants: Individual, farm or business located in Jefferson, Lewis or St. Lawrence Counties that create value-added products for retail consumption.

- Eligible use of funds: Purchase, installation and associated soft costs to install equipment to increase productivity.
Development Authority Value-Added Agriculture Fund

- **Loan Amount**: Loans cannot exceed $40,000.

- **Loan Term**: 5 Years

- **Interest Rate**: The greater of one-half (1/2) of the WSJ prime rate fixed at closing, or a floor of 3%.

- **Payments**: Annual

- **Fees**: None

- **Minimum owner cash of 20% of the total loan amount. (i.e. $40,000 loan=$8,000 cash)**

- **Security**: Lien on equipment to be purchased with proceeds of funds.
Development Authority Value-Added Agriculture Fund

- Applications accepted on a rolling-basis as funding is available.

- Partner with Cornell Cooperative Extensions to review applications. CCE determines if projects are feasible.

- Applications available by contacting Matt Siver at msiver@danc.org or calling 315-661-3200, or by going to www.danc.org/operations/community-development/business-development.
For More Information
www.danc.org