

Jefferson County Industrial Development Agency

800 Starbuck Avenue, Suite 800
Watertown, New York 13601
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www.jcida.com

TO: **JCIDA Loan Review Committee**
David Converse, Chair
Robert E. Aliasso, Jr.
Christine Powers
Kent Burto
John Condino

FROM: Marshall Weir, CEO

DATE: August 21, 2024

SUBJECT: **JCIDA Loan Review Committee Meeting**

A JCIDA Loan Review Committee meeting has been scheduled for **Wednesday, August 28, 2024 at 8:00 a.m.** in the board room, 800 Starbuck Avenue, Watertown, NY.

Please confirm your attendance with Peggy Sampson pssampson@jcida.com at your earliest convenience.

Thank you.

pss

C: Jay Matteson
Lyle Eaton
Robin Stephenson
W. Edward Walldroff
Paul Warneck
William Johnson
Lisa L'Huillier
Greg Gardner
Rob Aiken
Media

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JCIDA LOAN REVIEW COMMITTEE

Wednesday, August 28, 2024

8:00 a.m.

AGENDA

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Loan Application**
 - 1. 242 Washington Street LLC (RLF)**
- IV. Other/Unfinished business**
- V. Adjournment**

**Jefferson County Industrial Development Agency
Loan Review Committee**

Borrower: 242 Washington Street LLC
Business Location: 665 Riverside Drive, Clayton, NY 13624
Project Location: 242 Washington Street, Watertown, NY 13601 (parcel #10-06-128.000)
Ownership: Augusta Withington-100%
Amount: \$250,000.00
Term: 36 months
Rate: ½ Wall Street Journal Prime plus 1 set at closing, (5.25% as of 8/2/2024) to match the rate set by DANC, as lead agency
Payments: Monthly interest-only payments.
Collateral: Assignment of grant proceeds; mortgage on real estate
Use of Funds: \$250,000 to bridge NYS DRI Grant, upon receipt of grant proceeds, will pay- down/off loan.
Guarantors: Augusta Withington, Fourth Coast Inc.
Employees: Current: 15 FTE (tenant jobs)
 Years 1-3: 0 FTE
 Total: 15 FTE

Use of Funds:

Sources		Uses	
Cash	371,157	Improvements	3,071,157
Restore NY	500,000		
DRI	2,200,000		
Total Sources	\$3,071,157	Total Uses	\$3,071,157

*To bridge the NYS DRI funding DANC, WLDC, JCIDA and NCA are being asked to fund \$975,000 in interim financing (\$250,000 is being requested from DANC, WLDC and JCIDA and \$225,000 from NCA). Ms. Withington has used \$984,199 of her own funds to pay for improvements. They are in the process of submitting reimbursement paperwork to receive the \$500,000 Restore NY grant. The state will only allow these funds to be disbursed so long as the public funding has been committed to complete the remainder of the project. The WLDC will be repaid with the proceeds from the DRI grant. Periodic draws have been approved for this grant.

Project:

Owner: Augusta Withington

Associated Entities:

- 100% Owner of Fourth Coast Inc.
- 242 Washington Street LLC

Property Acquired: Former Masonic Temple Lodge, 242 Washington Street, Watertown (purchased in 2014).

Grants Received:

- **RESTORE NY Grant:** \$500,000
- **Downtown Revitalization Initiative (DRI) Grant:** \$2.2 million

Bridge Loan Request:

- **From NCEDF:** \$250,000
- **From JCIDA:** \$250,000
- **From Watertown Local Development Corporation:** \$250,000
- **From North Country Alliance:** \$225,000
- **Total Bridge Financing:** \$975,000

Project Financials and Funding Use

Self-Funding:

- Augusta Withington has self-funded \$984,199 for RESTORE NY grant improvements, utilizing cross borrowing from Fourth Coast Inc.

Grant Submission:

- The Applicant is collaborating with the City of Watertown to submit for the \$500,000 RESTORE NY grant. The state requires evidence of commitment to complete the DRI work before disbursing funds.

Improvements and Work Completed:

- **RESTORE NY Grant:**
 - Structural reinforcing
 - Masonry and window restoration
 - Asbestos abatement
 - Front stair and sidewalk work
- **DRI Grant (proposed work):**
 - Portico south eave repair
 - South and north portico column restoration
 - South cornice removal
 - Elevator installation
 - Southeast stair repair
 - First floor windows
 - Basement access improvement
 - Bathroom renovations
 - HVAC installation

Project Goals and Community Impact

Project Objectives:

- Providing accessible access to all floors in the building.
- Stabilizing the building structure.
- Although the funding is insufficient for a complete interior renovation, a new restroom in the basement will be added.

Current Tenants:

- The building currently hosts three commercial tenants:
 - Radio station
 - Photographer
 - Web designer

Alignment with NCEDF Objectives

NCEDF Criteria:

- The project aligns with NCEDF's mission as it contributes to business improvement districts and revitalization projects.
- Funded by NYS Downtown Revitalization Initiative, classifying it as a transformational project.

Cash Flow and Financial Projections

Cash Flow Considerations:

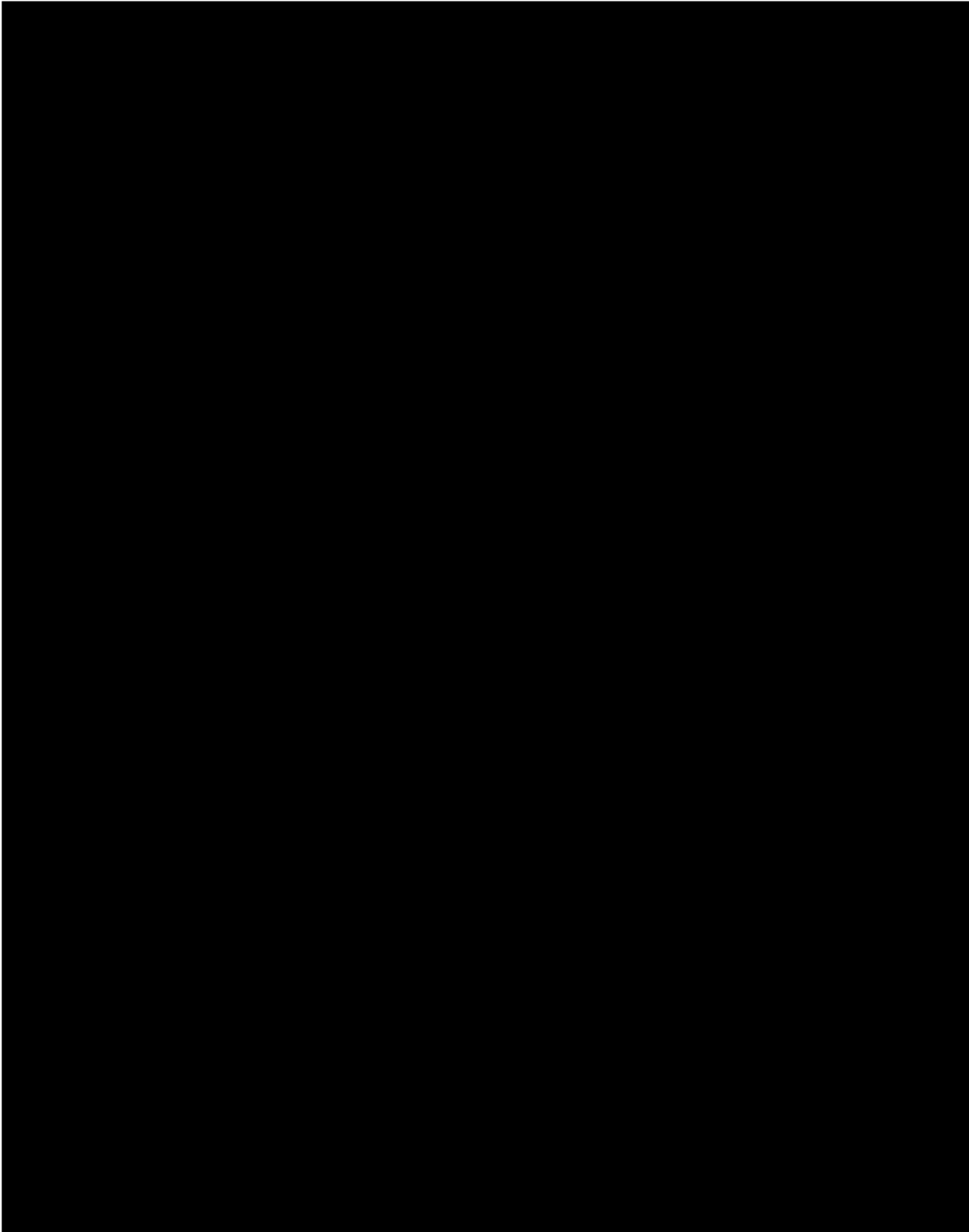
- Cash flow projections depend on the timing of grant disbursements and bridge financing.
- Delays or changes in the project schedule could necessitate additional personal funds from the Applicant to cover contractor payments while awaiting state funds.

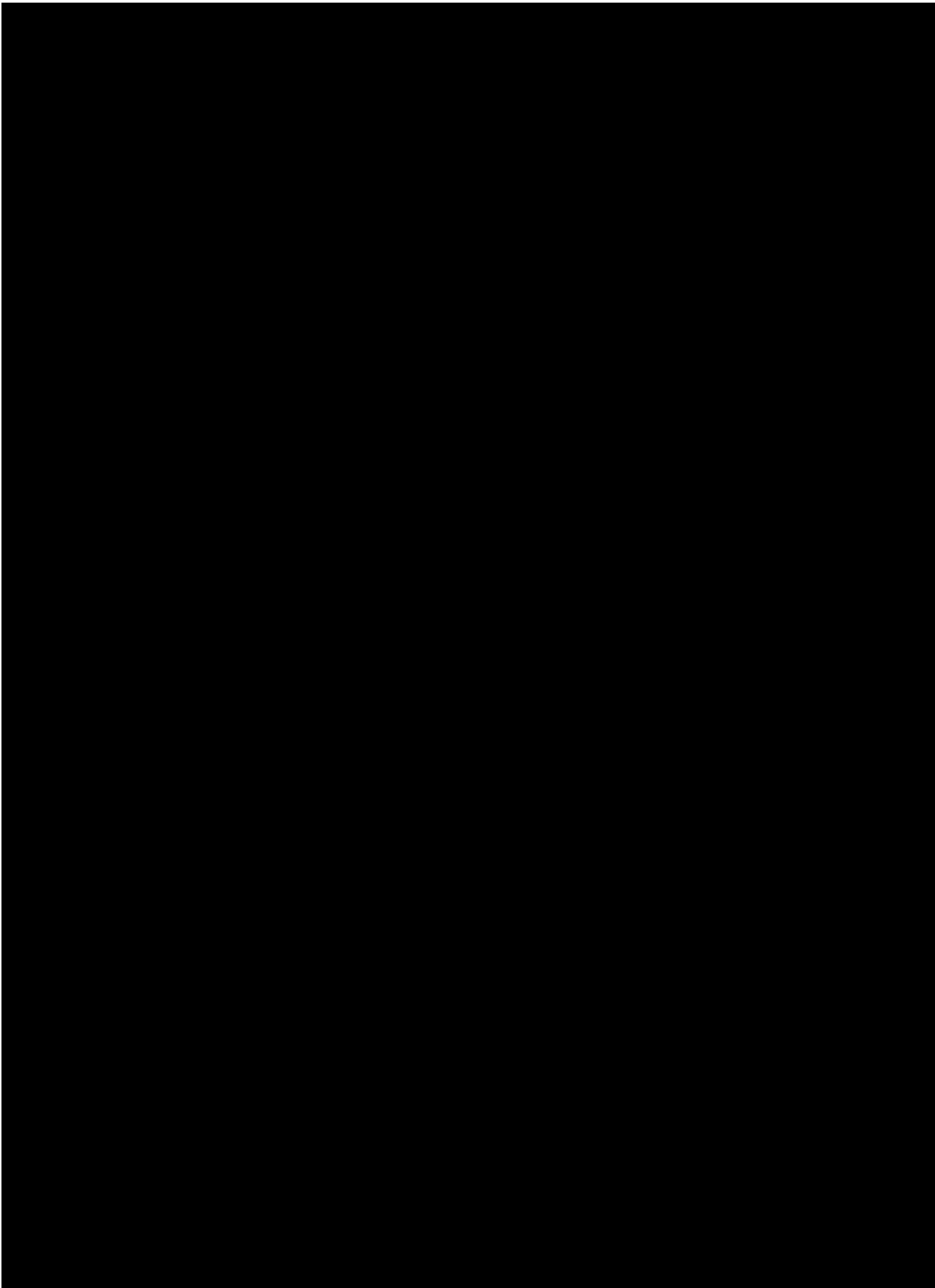
Conclusion

Augusta Withington, through 242 Washington Street LLC, is seeking bridge financing to facilitate the completion of significant renovations and improvements to the former Masonic Temple Lodge. The project not only aims to preserve a historic structure but also to enhance its functionality and accessibility for current and future tenants. The bridge loan is essential to maintain cash flow and meet the state's requirements for grant disbursement, ensuring the project's timely and successful completion.

	Thru Sept. 2024	Oct-Dec 2024	Jan-March 2025	April-June 2025	July-Sept 2025	Oct-Dec 2025	Jan-March 2026	Totals
(Expenses)	(984,199)	(388,523)	(635,462)	(680,462)	(381,843)	0	0	3,070,490
Cash	984,199	0	0	229,447	(229,447)	(113,710)	(500,000)	370,489
Reimbursement Received	0	0	500,000	0	1,000,000	700,000	500,000	2,700,000
Loans	0	388,523	135,462	451,015	(388,710)	(586,290)		0

- Thru September 2024, the Applicant states that she has spent \$984,199. The grants require a 10% cash match.
- The assumption is that they will be able to submit a draw to NYS for the RESTORE NY grant in Oct-Dec 2024 with payment of the \$500,000 received sometime in Jan-March 2025.
- The assumption is that in Jan-March 2025 they will be able to submit their first draw to NYS for DRI funds of approximately \$1 million. This \$1 million would be received in July-Sept. 2025.
- Each subsequent quarter they would submit a draw to NYS for DRI funding with the last draw being received by the Applicant in Jan-March 2026.
- Upon completion of the project, the Applicant will have put \$370,489 of their own funds into the project.
- It should be noted that the Applicant will need to carry about \$229,447 of project expenses that are not covered by loan funds until the grant payments are received.







Collateral Analysis

- It is recommended that the assignment of grant proceeds is taken as collateral and mortgage on the property. The current assessed value is \$203,000, and the full market value is \$244,800 per the City of Watertown's tax records. \$628,000 in improvements to the building have already occurred.

Recommendation:

Staff recommends approval as presented, contingent on DRI grant of \$2,200,000 with ESD approval to **extend the grant into 2025**, Participation by the WLDC and DANC in like amounts of \$250,000 each, and NCA with \$225,000, Co-proportional first mortgage on real estate with other public lenders and personal guaranty of Augusta Withington and Guaranty of Fourth Coast Inc. The recommendation is based on the restoration of a blighted property in downtown Watertown and the solid track record and financial condition of the owner.



CITY OF WATERTOWN, NEW YORK
PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT

SUITE 305, CITY HALL
245 WASHINGTON STREET
WATERTOWN, NEW YORK 13601-3362
TEL. (315) 785-7741
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MICHAEL A. LUMBIS
PLANNING & COMMUNITY
DEVELOPMENT DIRECTOR

January 16, 2024

Maksymilian Bogusz
Project Manager, Loans & Grants
Empire State Development
633 Third Avenue, New York, NY 10017

Re: SEQRA Determination – RESTORE NY Project 124,657/AB792
Masonic Temple Restoration

Dear Maksymilian:

The City of Watertown has determined that the work being completed for the Masonic Temple Restoration RESTORE NY project is a Type II action under the State Environmental Quality Review Act.

Per the Official Compilation of Codes, Rules and Regulations of the State of New York Title 6, Department of Environmental Conservation, Chapter VI, General Regulations, Part 617, State Environmental Quality Review, Section 617.5 (c) The following actions are not subject to review under this Part: (1) maintenance or repair involving no substantial changes in an existing structure or facility; (2) replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building, energy, or fire codes unless such action meets or exceeds any of the thresholds in section 617.4 of this Part, which this project does not.

Type II actions do not require preparation of a “determination of significance”, therefore further SEQRA review is not required. This letter shall serve as the SEQRA review for this project.

Sincerely,

Michael A. Lumbis
Planning and Community Development
Director

242 Washington Street LLC
Masonic Lodge Restore NY
18 Jan 2024



Front Steps Before and After

242 Washington Street LLC
Masonic Lodge Restore NY
18 Jan 2024



Window Restoration Before and After

242 Washington Street LLC
Masonic Lodge Restore NY
18 Jan 2024



Portico Floor Deck Structural Steel Before and After

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution Number 09.05.2024.01

**RESOLUTION FOR AUTHORIZING A
REVOLVING LOAN TO
242 Washington Street LLC**

DRAFT

WHEREAS, 242 Washington Street LLC has requested a Revolving Loan in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) to be used as bridge financing to facilitate the completion of significant renovations and improvements to the former Masonic Temple Lodge located in the City of Watertown, NY, and

WHEREAS, The Development Authority of the North Country (DANC), the Watertown Local Development Corporation (WLDC), the JCIDA, and the North Country Alliance (NCA) are being asked to fund \$975,000 in interim financing (\$250,000 from DANC, WLDC and JCIDA and \$225,000 from NCA). Owner, Augusta Withington, has used \$984,199 of her own funds to pay for improvements and is in the process of submitting reimbursement paperwork to receive the \$500,000 Restore NY grant. The state will only allow these funds to be disbursed so long as the public financing has been committed to complete the remainder of the project. The JCIDA will be repaid with the proceeds from the DRI grant (\$2.2M) - periodic draws have been approved for this grant. The application fee is waived since DANC already collected the fee, and

WHEREAS, Staff reviewed the request and recommended approval of a loan with the same terms as the lead agency: \$250,000 for 36 months at a rate of ½ Wall Street Journal Prime plus 1 set at closing (currently 5.25% as of 8/2/04). Payments will be monthly interest-only payments. There are currently 15 FTE tenant jobs. Collateral will be secured with the assignment of grant proceeds and a first co-proportional position mortgage with DANC, WLDC and NCA on real estate located at 242 Washington Street, Watertown, NY, a personal guaranty of Augusta Withington and a guaranty of Fourth Coast Inc. The loan will be contingent upon the DRI grant of \$2,200,000 with ESD approval to extend the grant into 2025, participation by DANC, WLDC and NCA, and

WHEREAS, on August 28, 2024, the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed the request and recommended approval of the loan and terms to the full Board of Directors, and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the request for a Two Hundred Fifty Thousand Dollar (\$250,000) loan to 242 Washington Street LLC with all terms and conditions as set forth in this Resolution, and be it further,

RESOLVED, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

W. Edward Walldroff, Secretary