

Carthage Industrial Development Corporation
2016 Annual Report

I. INTRODUCTION

The Carthage Industrial Development Corporation (CIDC) continued its focus on Downtown Redevelopment in 2016 with the completion of the restoration project at 253/255 State Street.

Northbrook Energy-Carthage, LLC marked its fifth year of operation of the West End Dam Hydro Facility. The production at the facility remained steady, but with energy prices at record lows, revenues are down. The CIDC collaborated with Northbrook to re-negotiate the terms of the lease agreement between the two entities. It is both parties hope to have a sustainable partnership going forward.

We continue to work toward making the Greater Carthage Area a “Community of Choice” within the region. The assistance and cooperation of our regional partners including the Villages of Carthage and West Carthage, Towns of Champion and Wilna, Carthage Area Chamber of Commerce, Development Authority of the North Country, Jefferson County Industrial Development Agency, Jefferson County Board of Legislators, Tug Hill Commission, Jefferson County Planning/Highway Departments, River Area Council of Governments, and our local elected officials, have been pivotal toward achieving this goal.

II. CIDC ADMINISTRATION

The Carthage Area Chamber of Commerce continues to provide administrative services to the CIDC and CDG. The CIDC’s agreement with the Chamber has proven to be convenient and effective. We anticipate that this arrangement will continue into the foreseeable future.

III. MAJOR PROJECTS

A. 256-264 State Street Project

Management of the 256-264 State Street project continued to be a major priority in 2016. The apartment complex occupancy rate was not as strong as previous years. The region is experiencing a surplus in housing, and we had a higher vacancy rate than previous years. It should be noted that the rental market will continue to be dynamic in the region as new units continue to be brought on line over the next few years.

The year began with one existing commercial vacancy, from 2015, and shortly after the turn of the year, a second commercial space was vacated. Fortunately, by the spring of 2016, one commercial space was filled, and the second was filled in the fall of 2016. Both commercial tenants had existing businesses in the community, but were interested in a more visible location in the downtown area of Carthage.

The Village of Carthage Community Development Director managed the rent-up of the building, while the Carthage Area Chamber of Commerce continued to manage the finances, in 2016. The Chamber handled all financial matters, while the Community Development Director worked with tenant prospects, assisted with applications, provided income certifications, and coordinated annual recertification of tenants.

B. West End Dam Hydro-Electric Facility Planning

Northbrook Energy-Carthage, LLC completed its fifth year of operation of the West End Dam Hydro Facility. Under Northbrook Energy operation, the facility ran smoothly throughout the year. The last four years the facility has experienced some of the highest production on record. The power purchase agreement with National Grid expired in November 2015, and with historically low power prices, it is anticipated that revenues will be substantially reduced over prior years for the foreseeable future. The CIDC re-negotiated the terms of the lease agreement with Northbrook energy, in response to the historically low power prices. The partnership between the two entities is strong, and will continue to be a priority of the CIDC going forward.

IV. FUNDING ASSISTANCE

A. Existing Funding

2013 CDBG Carthage/West Carthage/Wilna/Champion Housing Rehabilitation- \$400,000

The CIDC provided the funding necessary to prepare this Community Development Block Grant (CDBG) application which resulted in a \$400,000 grant award. The funds were used to support scattered site housing rehabilitation throughout the Towns of Champion and Wilna, and the Villages of Carthage and West Carthage. The program was a continuation of the very successful Carthage Housing Rehabilitation Program initiated in 2008 and later called the Greater Carthage Area Housing Rehabilitation Program. To date, more than 2 million dollars has been awarded to the communities for this program and over 90 homes have been rehabilitated. The 2013 program rehabilitated 14 residences, including 1 multi-unit property in the Downtown Carthage area. The Carthage Area Chamber of Commerce provided administrative assistance with implementation of the grant. The Village of Carthage managed this inter-municipal housing program on behalf of the four communities. The 2013 program was completed and closed in April 2016.

Rural Area Revitalization Program (RARP) Grant- \$200,000

To continue its efforts to restore downtown Carthage, the CIDC received a Rural Area Revitalization Program grant to assist with the redevelopment/restoration of 253-255 State Street. The CIDC has been coordinating with the Village of Carthage and property owner on the development of this project. The Village of Carthage was successful in securing \$50,000 of CDBG funds to support restoration of at least two apartments in the complex. Restoration work was initiated in 2014. Restoration work completed in early 2016. The project included renovation of four apartments and two commercial spaces in this property. The project also included restoration of the rear wall of the building and complete replacement of the roof.

NY Main Street Technical Assistance Grant - \$9,000

In an effort to plan for the redevelopment of abandoned buildings in the community, the CIDC received a Main Street Technical Assistance grant to study for the reuse of a dilapidated, historic building located along the Black River waterfront. An architectural firm was contracted to study the structural integrity of the building, as well as reuse potential. The study was completed in

2016, and it identified a few reuse ideas for the site, as well as projected cost estimates for the redevelopment of the building.

Rural Area Revitalization Program - \$107,500

Continuing past successes of restoring commercial buildings in the immediate downtown of Carthage, the CIDC received an award to make physical improvements to two commercial buildings in the Village of Carthage. The two projects, 111 Riverside Drive and 318 State Street, commenced with the environmental reviews of the site in late 2016. Actual renovations will take place in 2017.

C. CIDC Funding Assistance

TLC Real Estate - \$307,907

The CIDC provided financial support for the renovations at 253/255 State Street (see RARP Grant above). TLC Real Estate took ownership of a building that required significant renovations. Were it not for the partnership between the CIDC and TLC Real Estate, it is likely the buildings at 253/255 State Street would have collapsed, or would have needed to be demolished. Restoration work was initiated in 2014. The project included renovation of 4 apartments and 2 commercial spaces in this property. The project also included restoration of the rear wall of the building and complete replacement of the roof.