

Carthage Industrial Development Corporation  
Economic Development Corporation of Carthage  
2011 Annual Report

*I. INTRODUCTION*

The Village of Carthage made substantial progress in completing the transformation of the Downtown in 2011. The Village Main Street Restoration program was very active this past year with installation of new ornamental street lights in the historic downtown area along with major façade work on a number of buildings. The primary focus of the program in 2011 was building stabilization and sustainability. With this focus, the program supported six roof restoration projects, significant brick work, numerous heating system updates and renovations supporting thirteen apartments and seven commercial properties. There is no doubt that the downtown area is becoming one of the most inviting main streets in Northern New York. Recognizing that there are a number of buildings still in need of assistance, we anticipate pursuing additional restoration projects in the future.

Construction of the Carthage Area Medical Office Complex at the site of the downtown fire was also completed in 2011. We are hopeful that more than 20,000 people will visit the downtown area annually and that they will support our local businesses.

The Village of Carthage continues to maintain the Village Green on the front side of what used to be the “Fire Site”. The Village Green has become a focal point of the downtown community and adds to the overall visitor experience. The Village Concert Series remains a highlight of the summer months as well, and helps to further enhance the livability of the Greater Carthage Area and expose our downtown business community to visitors from throughout the region. The series is administered by the Carthage Area Chamber of Commerce with technical assistance from the EDCC and CIDC.

Community development activities continued in other parts of the twin villages as well. Of special note is the award of the Twin Villages Home Consortium Grant and the receipt of another round of CDBG funds to assist with the continued renovation of our owner-occupied and rental housing stock in Carthage and West Carthage.

Of special note is the successful transition to a new lessee of the West End Dam Hydro Facility. The new 30 year lease is with Northbrook Energy-Carthage, LLC, which took over operation of the facility on July 1<sup>st</sup> of 2011. The process of selecting a new lessee encompassed more than a year and has included numerous restoration projects at the facility.

We are proud to say that the Greater Carthage Area is becoming a “Community of Choice” within the region and the area is positioned to benefit from activities associated with Fort Drum. Progress toward this goal is due in large part to the assistance and cooperation of our regional partners including the Village of Carthage, Village of West Carthage, Towns of Champion and Wilna, Carthage Area Chamber of Commerce, Development Authority of the North Country, Jefferson County Industrial Develop Agency, Jefferson County, Tug Hill Commission, Jefferson County Planning/Highway Departments, River Area Council of Governments, and our local elected officials.

Cooperation among the local stakeholders remains a strong point, and public dialogue remains *positive even in light of the very difficult economic times we are currently facing. This positive*

outlook has had a great impact on the development of new business in the community and the continued support of our Regional, State and Federal partners. As we work together and extol the positive attributes of the Greater Carthage Area, we can only assume that the momentum to reinvent the community will remain strong.

The following summarizes the many activities that the EDCC and CIDC were involved with this year. It is clear that the accomplishments were due largely to the commitment of the volunteer board members of the EDCC and CIDC.

## *II. MAJOR PROJECTS*

### A. 256-264 State Street Project

Management of the 256-264 State Street project continued to be a major priority in 2011. The apartment complex had a 98% occupancy rate for the year. Stefano's Pizzeria remains an anchor in the downtown, and we have added two new businesses in the commercial space including State Farm Insurance and Surf and Play (a computer café). The facility currently has one vacant space, and marketing this space will be a priority in 2012.

The Community Development Coordinator continues to assist with rent-up of the building and management of the finances. The Coordinator's duties include handling all financial matters and managing audits, working with tenant prospects, assisting with applications, providing income certifications, and coordinating annual recertification of tenants.

### B. Property Redevelopment

The EDCC and CIDC in cooperation with the Village of Carthage continue to plan for the redevelopment of underutilized/abandoned property within the Greater Carthage Area. The CIDC formed Braman Development, LLC in 2010 and has assumed ownership of the abandoned Braman property. The boards will begin to pursue plans for the property's reuse in 2012. The corporations will continue to target underutilized or abandoned properties as they become available in the future.

### C. Fire Site Redevelopment

The Carthage Area Hospital in cooperation with the Village of Carthage, CIDC and EDCC completed construction of the 12,400 square foot Medical Office Complex at the rear of the Fire Site in the spring of 2011. The facility is now fully occupied by CAH medical services. Staff assisted in securing over \$770,000 in State and Federal grant funds for the project. The main focus in 2011 was disbursement of these grant funds. Staff will continue to work with the Hospital to secure closeout of the project funding in 2012.

In addition to the hospital project, the EDCC/CIDC continues to be involved with the Village Park located along the front of what used to be called the "Fire Site". The site has been landscaped with ornamental fencing, lighting, park benches, grass, trees, flower beds and a community clock donated by Slack Chemical Company, Carthage Federal Savings and Loan, and

T. F. Wright & Sons Granite Foundry. The Village of Carthage proudly maintains the park while the Carthage Coordinated Development Group continues to oversee disposition of this property.

#### D. Marketing

The EDCC and CIDC continued to pursue marketing of the Village of Carthage. In addition to supporting Carthage Area Chamber of Commerce activities, we are focused on letting people who are new to the North Country know that Carthage is a great place to live. We continue to make available our "Community of Choice" marketing brochure that introduces Carthage to new arrivals. The CIDC/EDCC will continue to provide technical assistance to the Carthage Area Chamber of Commerce to market the community through its summer concert series, held at the farmers' market. Staff also continues to participate on the JCJDC marketing council.

#### E. West End Dam Hydro-Electric Facility Planning

The CIDC completed a year long process to establish a new lessee of the facility in 2011. The existing lease with West End Dam Associates ended in June of 2011 and Northbrook Energy-Carthage, LLC has entered into a 30-year lease with the CIDC as of July 1st. The facility will remain a priority of the board in 2012 as we transition to the new operator. Once this transition is completed, the CIDC is confident that this facility will remain a positive asset to the community for years to come.

#### F. Administration and Regulation Compliance

In this changing government climate numerous procedures, rules and regulations have been implemented by the State Government regulating Local Development Corporations and Public Authorities. The most significant regulations have been implemented through the *Public Authority Accountability Act*. The Act requires adoption and implementation of an extensive list of operating procedures and policies as well as substantial reporting requirements. Staff invested a significant amount of time and effort in 2011 in developing and implementing the required policies and procedures mandated by the Act. It is anticipated that these obligations will continue to require significant staff time in the future.

### *III. FUNDING ASSISTANCE*

The following section summarizes coordinator activities involving funds received for community development.

#### A. Existing Funding

##### RestoreNY Medical Office Complex- \$579,000

Staff assisted the Village of Carthage and Carthage Area Hospital with the preparation of a grant application that resulted in the award of a RestoreNY grant to assist with phase II of the CAH medical office complex at the rear of the Fire Site. Staff time was spent in 2011 on preparing the necessary paperwork to secure release of these funds. Staff will continue to assist the Hospital as they seek close-out of the grant funds in 2012.

### New York Main Street Grant- \$424,000

The CIDC received a \$424,000 New York Main Street Grant in 2009. The purpose of the grant is to continue ongoing building and infrastructure restoration efforts in downtown Carthage. The grant has been utilized to install new ornamental street lighting in the downtown as well as assist seven downtown properties with façade improvements, roof and brick work, new heating systems, renovation of apartments and commercial spaces. As of the end of 2011, all program funds were committed with most projects completed. All construction work is scheduled to be completed by the middle of February 2012.

### B. New Funding

#### 2011 CDBG Carthage/West Carthage Housing Rehabilitation- \$400,000

Staff assisted the Twin Villages with application for a \$400,000 CDBG grant which was awarded in 2011. The funds are being used to support scattered site housing rehabilitation throughout the Carthage and West Carthage Villages. The program is a continuation of the very successful Carthage Housing Rehabilitation Program initiated in 2008 and now called the Twin Villages Housing Rehabilitation Program. To date 29 homes have received rehabilitation assistance. The Carthage Area Chamber of Commerce is providing administrative assistance with implementation of the grant. The Community Development Coordinator will continue to assist the Villages with administration of this housing program and with pursuit of additional housing program funding in 2012. The CIDC has funded the preparation of these applications each of the last five years.

#### 2011 North Country Home Consortium Application for Funding

Staff assisted the Twin Villages with an application for a \$121,824 North Country Home Consortium grant, which was awarded in April of 2011. The funds are also being administered through the Twin Villages Housing Rehabilitation Program. The funds will be used to target 5 homes for rehabilitation assistance. It is anticipated that additional funds will be pursued in 2012.

#### Carthage Library USDA-RD Grant/Loan

Staff continued to assist the Carthage Library with pursuit of a ± \$500,000 grant/loan from the USDA-RD to assist with their ongoing expansion project. The Library was officially awarded a \$50,000 grant and \$450,000 loan in 2011. Staff will be available upon request to provide technical assistance with funding administration in 2012.

## *IV. EDCC ADMINISTRATION*

### A. Loan program

The EDCC manages 12 active loan accounts and had three loans pending at the end of 2011. It should be noted that two loans were paid off in 2011. The board approved a short-term loan of

±\$155,800 for purchase of a new snowmobile trail groomer by the Carthage Snowmobile Club. The groomer is an important component of a strong winter tourism season based predominantly on the snowmobile industry. This industry provides a boost to our service sector during a traditionally slow period of the year. The board also approved a \$250,000 loan to assist the Carthage Area Hospital (CAH) as they work through recent financial challenges. The board recognizes that CAH is one of our largest employers and provides services that are critical to the future vibrancy of the Greater Carthage Area. It is also clear that the health of this facility is important to the area's efforts at remaining a Community of Choice in the North Country and strengthening the future of Fort Drum in our region.

The EDCC procedures for loan fund management remained in full force and effect in 2011. The Board was vigilant in managing the loan portfolio, assuring that all loans remained, or were made, current. The Board continued the policy of quick follow-up on any delinquent loans. The EDCC remains open for loan applications from businesses in the Carthage Area and anticipates approving additional loans in 2012.

#### B. Administration

On behalf of the EDCC and CIDC, staff was responsible for the day to day operations including coordination of meetings with board officers, preparation and review of minutes and reports, and management of finances of the CCDG, CIDC, and CDG. Staff also provided representation on the North Country Home Consortium, Carthage Area Hospital, Carthage Area Chamber of Commerce and the JCJDC Marketing Council.

#### C. Subcontracts

The EDCC continued its service agreement with the Carthage Area Chamber of Commerce (CACC) for the purpose of marketing the Greater Carthage Area. The Chamber organizes and hosts workshops/seminars, conducts marketing activities, and distributes information about the Greater Carthage Area and the resources of the EDCC.

#### D. Blight Funds

There were no requests for use of blight funds by the Village of Carthage in 2011. The year end balance in the funds stood at \$92,109.

### *V. THE YEAR AHEAD*

There is no question that significant momentum to renew the Carthage downtown area continued in 2011. The most visible indication is the completion of numerous downtown rehabilitation projects, new street lighting and operation of the new Medical Office Complex on the "Fire Site". We hope to continue this momentum as we pursue additional downtown rehabilitation projects in 2012. We are also hopeful that added traffic resulting from the Medical Office Complex will begin to strengthen existing business and encourage the location of new downtown businesses. It is also encouraging that we have a successful housing rehabilitation program encompassing both villages. We will continue to work to secure additional funding to

support this program in the coming years. We also anticipate expanding this program to new areas and targeting rehabilitation of rental properties in 2012 in response to a growing need for good quality rental property in the region.. Work has already begun on preparing 2012 North Country Home Consortium and CDBG grant applications to continue these initiatives.

We will continue to work with the Carthage Area Chamber of Commerce and JCIDA as marketing Carthage as a “Community of Choice” remains a focus of the EDCC and CIDC for the foreseeable future.

The corporations will continue to market the availability of loan funds and continue to work with other entities on packaging funding assistance for new and existing businesses in the Greater Carthage Area. As always, we will continue to look for job creation opportunities and remain vigilant in retaining the jobs that we currently have. We will also continue to pursue underutilized and abandoned property for redevelopment. Finally, our local municipalities and organizations must continue to work together and maintain positive dialogue as we present a united front to regional, state, and federal representatives and agencies to assure continued assistance in the future.

## INVESTMENTS

As of 12-31-2011

<u>INSTITUTION</u>	<u>RATE AND TERM</u>	<u>AMOUNT</u>
1. Carthage Federal Savings and Loan	CD(12month)@ 0.50 APY	\$103,074
2. Carthage Federal Savings and Loan	CD(12month)@ 0.50 APY	\$103,074

# INVENTORY OF CIDC PROPERTY

As of 12-31-2011  
Swiss Code: 226001

Parcel number	Address	Description	Assessment
1. 86.32-1-78.1-601	West End Ave	Hydro-Electric Facility	\$4,651,000
2. 86.32-1-78.1	Black River	River Bottom (40.60 acres)	\$ 8,200
3. 86.40-1-2	Black River	River Bottom (19.50 acres)	\$ 4,200
4. 86.41-4-41	State Street	1/3 owner Fire Site ( $\pm$ 0.56 acres)	\$ 45,000
5. 86.40-2-50	Riverside Dr.	Vacant parcel ( $\pm$ 0.3 acres)	\$ 8,100
6. 86.32-1-78.2-401	West End Ave	Property beneath Co-Gen	\$12,000,000*

## Braman Development LLC

1. 86.24-1-33.1	837 Alexandria St.	Vacant Braman property	\$ 9,800
2. 86.24-1-33.2	Boyd Street	Vacant Braman property	\$ 3,900

\* CIDC is shown on the tax records of the County of Jefferson as having an interest in real property beneath the Co-Generation Facility located on this site. The Co-Gen is located on the property via a ground lease. An abstract of the property was acquired in 2010 and after review by the CIDC legal council it is unlikely that CIDC has any interest in this property. The CIDC does not intend to own any interest in this property.