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The corporation renovating the old Flanagan Hotel in Malone has almost secured \$13.6 million for the project from a private lender based in London, England.

Frank Cositore, president of UICC Holding LCC, said the \$13.6 million in a construction loan and "takeout" loan will cover his costs as he aims to turn the historical

landmark into four-star hotel.

His costs include a significant amount of debt, including a mortgage foreclosure. According to documents filed at the Franklin County Clerk's Office on Feb. 25, the judgment totals \$5 million. In addition, three liens on the property for unpaid bills have been extended for another year; all were filed with the county clerk in the past three months, the latest one

on Tuesday. According to the documents, UICC owes Ward Lumber \$2,500; owes Jeffords Steel and Specialty Company Inc. \$67,731; and Sample Lumber \$53,022.

But Cositore and Malone attorney Bryan Hughes, who represents UICC, said Thursday that the \$13.6 million will settle both the liens and the mortgage foreclosure. It will also cover ongoing costs and provide working capital.

Cositore — flanked by Hughes, Malone Chamber of Commerce President Hugh Hill, and construction Foreman Jack Brown — visited the Franklin County Legislature Thursday morning to request their support in an application for federal stimulus funds, but began their talk with the news of the lender's recent commitment to the project. Hughes told the board that he received a commit-

ment letter from the private entity, whose name the group said they are not authorized to disclose, late Wednesday evening. The terms and conditions will be confirmed at a later date, possibly today, Cositore and Hughes said.

The former grand hotel was gutted by fire in 1997, abandoned, and sat boarded up for a decade.

Cositore and his investors have been working on the \$11 million restoration since 2005. Construction ceased when the credit market collapsed, Cositore said, causing the banks backing up UICC to fold one by one. He stressed Thursday that the building is now worth \$8.6 million, a value that is confined to its interior following structural work.

After about five months of negotiation, the London lender agreed to finance both the construction and "takeout" loans, the former made to UICC upfront and the second permanent financing. With this commitment to financing, Cositore said he hopes to recommence construction as soon as possible. The "drop dead" date for work to start is May 1.

Seeking help for a revolving loan fund

After explaining the London lender's commitment to the legislature, Legislator Paul Maroun (R-Tupper Lake) posed a blunt question to Cositore, Hughes, Hill and Brown.

"It's nice to see all you gentlemen and everything, but what do you want from us?" he asked.

The men replied they

want to obtain an as-yet undetermined amount of federal stimulus funds that will deter any future need to borrow more money. Cositore asked legislators to sign on as the applicant for what could be either a grant or loan through the federal Economic Development Agency; and to have the Franklin County Local Development Corporation act as the conduit for the resulting funds, which is part of the county's Industrial Development Agency.

"Whether or not it is a success, the county is not losing anything. All I'm asking for is the county's support," Cositore said.

Because the announcement of these available funds was just made Tuesday, Cositore said he was unsure if the money would be awarded through a grant — which could require matching funds — or a Revolving Loan Fund (RLF).

The funding amount through this loan program has not yet been determined.

The Flanagan project would most likely not qualify for a grant but rather the RLF. If the funds end up in the form of a grant, Cositore said he would drop his application to avoid asking any-

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one, including the county, for money.

"No one's in the position to give me \$3 million to match it," he said, using a hypothetical number. "If it is an RLF, we can get it. If it's a matching question, we may not be able to get it. We would back off."

As applicant, the county would be required to cover the cost of grant-writing, which would be shouldered by Camoin Associates. Cositore said the cost, which was not known Thursday, would be reimbursed to the county.

If the legislators agree to be the applicant, and the project is ultimately given money, it would be retained

by the county LDC and lent to UICC at a specified number, the county earning the interest, Cositore said.

Further, the RLF — as retained by the county — can be used for other projects, not just the Flanagan, Cositore said.

Cositore said there is no application deadline, rather a distribution deadline of 120 days for 50 percent of the funds. Upon the announcement of the funding on Tuesday, the deadline was back-dated to Feb. 25, leaving 90 days for distribution.

Legislators told Cositore and Hughes that they would need further information, including the financial contri-

bution required from the county, before making a decision. If an exact timeline becomes available before legislators' next regular meeting on April 2, a special meeting may be held to take any action on the matter.

Legislature Chairman Guy "Tim" Smith (D-Fort Covington) said that the board's decision may depend on the amount of money it is asked to front.

"I've been here since 1978 ... and we've never done this type of arrangement," Maroun said. "So it's new to us. We've never been the lead sponsor for a private operation. That's why we're asking so many questions."

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