

New Balsams owners tap NCIC for help with finance planning

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The new owners of the Balsams Grand Resort Hotel have hired a North Country economic development organization to find ways to finance its long-overdue renovation.

The nonprofit Northern Community Investment Corp., which serves northern New Hampshire and Vermont, will develop a finance plan to fund renovation of the historic Dixville Notch hotel.

The renovation is essential to getting the resort open for guests and once again becoming a major North Country employer, said Jon Freeman, president of NCIC.

Depending on the season, the Balsams employs about 300 full- and part-time workers in a region with the state's highest unemployment rate.

Balsams View LLC -- a partnership of businessmen Daniel Dagesse and Daniel Hebert Jr., both of Colebrook -- purchased the resort in December and have vowed to restore it to its former glory.

The landmark resort, where the first votes in the New Hampshire primary have been cast since 1960, has been in operation for more than 150 years but hasn't been renovated in more than four decades.

"It needs a lot of work, it's just old and it's tired," said Balsams spokesman Scott Tranchemontagne. As for how it will fund the renovations, NCIC is considering all its options at this point.

"We're looking at a number of different financing options as well as the traditional sort of bank financing and equity financing," said Ethan Swain, business resource manager for NCIC.

That includes pursuing federal New Market Tax Credits, which Swain said have become a popular form of financing for large projects.

The tax credits attract investment capital to low-income communities by allowing those who make equity investments in specialized financial institutions -- called Community Development Entities -- to receive a tax credit against their federal income tax return in exchange.

NCIC will also consider applying for federal energy-efficiency grants, since much of the renovations will aim to make the resort more energy efficient, said Swain.

Renovations are expected to take about 18 months, but exactly what will be done at the 7,700-acre property is still being determined, said Tranchemontagne.

A full assessment of what is planned for the resort should be announced in March, he said.

In March 2011, when an investor group he was part of was bidding against Ocean Properties for the property, Dagesse told NHBR that plans for the resort included installing a biomass heating system, which he said would cut operating costs by up to \$1.3 million. Without the system, he said the hotel would be "doomed."

-- KATHLEEN CALLAHAN/NEW HAMPSHIRE BUSINESS REVIEW