

Washington County Local Development Corporation
Loan Review Committee - Meeting Minutes
Tuesday, October 17, 2017 - 9:00 a.m.
LDC Conference Room

Board Members Present: Dana Haff, Jared Humiston, Dave O'Brien, Jay Niles and Cassie Fedler (exited 10:35 AM)

Staff Present: Deanna Derway – WCLDC President

Others Present: Terry Tillaart, Teri Morocco-Tillaart, Jennifer Kelley-Thomas, Joseph Thomas and Joel Carpenter

I. Call to Order

Dave O'Brien called the meeting to order at 9:00 a.m. The Committee reviewed the minutes from the September meeting. Dana Haff made the motion to approve and Jay Niles seconded. It was approved unanimously.

II. Loan List Update

Next, The Committee reviewed the current loan list update. Darlene from Renaissance made a payment as based on her payment plan. ICC Management and Esther Davis are both still behind but, both made payments this month; ICC made the double payment as based on the approved payment plan they submitted. The next payment will be a double payment made by the end of October.

III. New Business

A. Next, the Committee reviewed an application proposal for J and J Gilbert, LLC in the amount of \$150,000. Jennifer and Joseph were present representing the project along with their accountant Joel Carpenter. The Committee discussed the positive financial position of the applicants including both positive cash flow and high credit scores and asked the applicants why they did not apply through a bank and they responded that our program is less hassle than the banks. The plans for the project are to add four rooms and additional front desk area which would add 3 FT jobs. The applicants are looking to start this project immediately with pouring the foundation before winter. Due to the fact that we are low on loan funding currently, WCLDC would most likely not be able to get them the funding in time to complete this before winter. The applicants responded that they have the cash flow from other businesses they own to afford to start the project until the funding is available. The Committee discussed this project in depth and although this is a great project, due to the fact that they can be approved through the bank, the Committee feels that our funding should be reserved for those who are unable to afford the project and/or get approved by a bank with a lower interest rate. There was a motion made by Jay Niles to approve them for \$70,000 in order to get the foundation poured before winter there was further discussion about if the funds are absolutely necessary in order to do the project, Dave O'Brien seconded the motion. The motion and loan application were denied based on the following votes:

Jared – Abstain Cassie – Nay Dave – Yay Jay – Yay Dana - Nay

B. Next, the Committee reviewed a proposed application for Tillaart Brewing in Hudson Falls in the amount of \$150,000. Terry and Teri were both present to represent the project. The Committee discussed the property that the applicants plan to purchase from the Phoenix rising group. The applicants said that the building needs roof repairs, paint, boiler repair and mold remediation. They also talked about the potential for putting a patio off the back of the building with a view of the river. The Committee asked about the parking situation being that the building is on the circle in the village. The applicants said that there is parking available in numerous locations close by including the bank parking lot, spots on the circle, forged and potentially the old bowling alley. They plan to purchase new equipment from Fronhofer Design. The Committee asked what the projected costs of the new equipment would be and the applicants replied that it is \$80,000 for the down payment alone which is the most important piece at this stage. The Committee discussed the project in depth and based on having personal and other private funds invested in the project, Cassie Fedler made a motion to approve funding \$80,000 for the down payment of the equipment with a 7 year term at 6% interest. Jared Humiston seconded and it was approved unanimously.

C. Next, the Committee reviewed a loan modification request for Vision Venture Group LLC whose loan was approved 9/12/17. They are requesting a 6 month grace period from the close of the loan which will allow them time to get into the new building before they begin paying the loan. They will be closing on the GFN portion of the loan in March and this grace period would coincide with that perfectly. Jared made a motion to approve the loan modification with a second from Jay Niles and approved unanimously.

D. Next, the Committee reviewed a loan modification request for Jim French at Schoony's Market. They are requesting a 3 month forbearance of no payments or interest. This request is due to a difficult third quarter that has been compounded by the extended closure of the Route 12 Bridge which will be closed until the end of November at the earliest. The Committee understands his difficulties but, do not want to create a large balloon payment for him at the end of the loan either. Therefore, Jared Humiston made a motion to approve a 3 month interest only period of November, December and January with regular payments resuming in February. Jay Niles seconded and it was approved unanimously.

VIII. Adjournment

The meeting was adjourned at 10:45 AM. Motion made by Dana Haff, seconded by Jay Niles and approved by all.

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Rich Norman, Chairman