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Columbia Economic Development Corporation

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION NOTICE OF MEETING

Please take notice that there will be a meeting of the Columbia Economic Development Corporation Loan Committee held on March 22, 2016 at 1:00pm at 4303 Route 9, Hudson, NY 12534 for the purpose of discussing any matters that may be presented to the Committee for consideration.

Dated: March 15, 2016

F. Michael Tucker

Interim President/CEO

Columbia Economic Development Corporation

CEDC Loan Committee

Chairman:

Rick Bianchi

Members:

Russell Bartolotta

Greg Fingar

Triona Fritsch

Kim Keil

John Lee

Bob Sherwood

Colin Stair

1. Minutes, February 16, 2016*
2. Interim President/CEO Report
3. Portfolio Review
 - a. Monthly Loan Report
 - i. Monkshood Nursery*
 - ii. Pete's Gone Fishin'*
 - iii. Paul Calcagno Jr. Development LLC
4. Loan Policies and Procedures
5. Basilica Industries Loan Request*
6. Talbott, Arding Co, LLC Loan request*
7. Public Comment

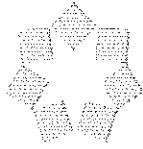
Attachments:

Draft February 19, 2016 minutes

Basilica Industries loan request

Talbott, Arding Co. LLC loan request

* Requires Approval



**MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, February 16, 2016
4303 Route 9
Hudson, New York**

A regularly scheduled meeting of Columbia Economic Development Corporation's (CEDC) Loan Committee was held at their offices located at 4303 Route 9, Hudson, NY 12534 on February 16, 2016. The meeting was called to order at 1:00 pm by Rick Bianchi, Chairman.

Attendee Name	Title	Status	Arrived
Rick Bianchi	Chairman	Present	
Greg Fingar	Committee Member	Excused	
Kim Keil	Committee Member	Present	
Bob Sherwood	Committee Member	Excused	
Colin Stair	Committee Member	Present	
F. Michael Tucker	Interim President/CEO	Present	
Andy Howard	CEDC Attorney	Excused	
Tony Jones	CEDC Chairman	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Lisa Drahushuk	Administrative Supervisor	Present	

Minutes:

Mr. Stair made a motion, seconded by Ms. Keil, to approve the committee minutes from January 19, 2016. Carried.

Interim President/CEO:

Mr. Tucker noted the Calcagno restructuring had been approved by the committee, but needed to be approved by the full board. He reviewed the Loan Report and reviewed loans with past due accounts.

Mr. Tucker stated he had done a quick analysis to determine the dollar amount that could be loaned keeping the loan fund self-perpetuating with a 20% default rate. He stated he had found the target number fell between \$275,000 - \$300,000 per year. He stated once the final sustainable amount to be loaned yearly was determined, that amount should be broken up into target amounts (goals) to be used as guidance by staff. He gave an example of a total amount of



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\$275,000 yearly which could be divided up by loan categories of \$50,000, \$25,000 and \$10,000. He stated this would provide a perpetual revolving loan fund with interest and principal payments funding new loans on a rolling basis. Mr. Bianchi asked if the true default rate was 20%. Mr. Tucker stated it was not, that figure was only an example.

Portfolio Review:

Monthly Loan Report:

Monkshead Nursery:

Mr. Tucker stated the client had made payments and kept current on the SBA loan, but had let the CEDC loan remain unpaid. He suggested that the past due interest on the CEDC loan be made current and then the loan should be re-written for a 7 year term with payments for 9 months per year. He noted this option was not available for the SBA loan. The alternative option was to pay interest only on the loan until the SBA loan is paid in full, then either pay the outstanding principal in full or amortize it over 3 years at 4%. The Committee asked that the options be discussed with the borrower, tabling a vote until the next meeting.

Pete's Gone Fishin':

Mr. Tucker stated that CEDC is waiting for a response to a demand letter sent by its legal counsel, together with draft litigation papers, to the borrower's attorney..

Loan Policies and Procedures:

Mr. Tucker stated he would meet with Chairman Bianchi to review the current policies and procedures and report to the Committee at a future meeting

Warm Winds LLC Loan Request:

Ms. Lane stated the request was from Warm Winds, LLC, whose principals proposed to open a retail store in Hudson. The funds would be used to purchase inventory, furniture, fixtures and working capital. The proposed term of the loan was 72 months at an interest rate of 7.25%. Collateral consists of business assets and inventory. The project is expected to create 1.5 jobs. She noted the client was currently speaking to the Capital District Community Loan Fund for additional funding. Mr. Stair stated he had spoken to one of the principals and felt they had a good chance of success with the business. *Mr. Stair made a motion, seconded by Ms. Keil to recommend the loan to the CEDC Board for approval. Carried.*

Other Business:

Ms. Lane stated she had attended a three day IEDC seminar on credit analysis and reporting the previous week. She outlined the seminar and stated it had been very informative.



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Mr. Tucker stated a question had been brought up regarding the issue of flood insurance and if CEDC should require the coverage. Ms. Lane stated the SBA requires flood insurance if the business is located in the flood plain. The committee felt it should be decided on a case by case basis as defined by policy.

Adjournment:

With no further business to come before the committee, Ms. Keil made a motion, seconded by Mr. Stair, to adjourn the meeting. Carried.

The meeting adjourned at 2:03 p.m.

Respectfully submitted by Lisa Drahushuk



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MEMORANDUM

TO: CEDC Loan Committee
FROM: Martha E. Lane, Business Development Specialist
RE: Loan Request
DATE: March 14, 2016

Applicant: Basilica Industries LLC
Melissa Auf der Maur and Tony Stone
110 South Front Street
Hudson, NY 12534

Amount: \$35,000 SBA Microloan

Project: Basilica Industries LLC is a rental business. Its principals partner with a wedding planner to rent the building for weddings and galas. Basilica is also rented by local businesses and non-profits for fundraising events and expos.

Purpose: Purchase equipment, supplies, and materials to expand the wedding rental business.

Interest Rate: 7.00%

Term: 60 months

Collateral: Lien on all business assets, including furniture, fixtures, equipment, electronics, inventory, and accounts receivables.

Jobs: Project is expected to retain 1.5 jobs and add 2 part time jobs.



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MEMORANDUM

TO: CEDC Loan Committee
FROM: Martha E. Lane, Business Development Specialist
RE: Loan Request
DATE: March 1, 2016

Applicant: Talbott, Arding Co. LLC
Mona Talbott and Kate Arding

Amount: \$25,000 SBA Microloan

Project: Talbott & Arding Cheese and Provisions opened in November 2014. It is a retail and wholesale operation that sells specialty food products, provides catering services, and produces prepared foods and house brands

Purpose: Working Capital

Interest Rate: 7.25%

Term: 72 months

Collateral: Lien on all business assets, including furniture, fixtures, displays, equipment, inventory, and accounts receivables.

Jobs: Project is expected to retain eight jobs