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Columbia Economic Development Corporation

MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, May 17 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 May 17, 2016. The meeting was called to order at 12:31 pm by Rick Bianchi, Chairman.

Attendee Name	Title	Status	Arrived
Russell Bartolotta	Committee Member	Excused	
Rick Bianchi	Chairman	Present	
Triona Fritsch	Committee Member	Excused	
John Lee	Committee Member	Present	
Bob Sherwood	Committee Member	Present	
Colin Stair	Committee Member	Present	
F. Michael Tucker	President/CEO	Present	
Andy Howard	CEDC Attorney	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Lisa Draushuk	Administrative Supervisor	Present	

Minutes:

Mr. Stair made a motion, seconded by Mr. Lee, to approve the committee minutes from April 19, 2016. Carried.

Portfolio Review:

Monthly Loan Report:

Vanderbilt House:

Mr. Tucker reminded the Committee the business had two loans with CEDC, one SBA and one through CEDC. He expressed concerns that with the sole guarantor filing bankruptcy that a technic default of both loans may have occurred. Mr. Howard would be reviewing the loan documents to see what actions, if any, should be taken. Mr. Tucker noted, if the SBA loan defaulted, CEDC would need to move funds from the SBA loan loss reserve account to the SBA loan fund to cover the amount of the default. It would then be necessary to recalculate the SBA loan loss reserve and any shortage would need to be covered by a transfer from CEDC's loan loss reserve funds.



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Monkshood Nursery:

Ms. Lane stated the modified CEDC loan would be closing the following day.

Davi's Delights:

Ms. McNary stated she has contacted them several times about late payments and anticipated a check soon.

Sip-n-Suds:

Ms. Lane stated Ms. McNary had spoken to the owner the day prior about late payments and was promised a check would be forthcoming.

Nancyscans:

Ms. McNary spoke with the owner regarding late payments and was promised a check would be dropped off by 5/20. She stated she had asked for 2 payments.

Pete's Gone Fishin':

Mr. Lee made a motion, seconded by Mr. Stair to enter executive session under Article 7 Section 105 (1) (f) to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. Carried. Executive session was entered into at 12:52pm.

Mr. Stair made a motion, seconded by Mr. Lee to exit executive session. Carried. Executive session was exited at 12:58pm.

Mr. Sherwood made a motion, seconded by Mr. Stair to allow CEDC attorney, Andrew Howard to negotiate the amount and to take action to collect the outstanding debt. Carried.

Loan Policies and Procedures:

Mr. Tucker handed out copies of the latest draft of the policies and procedures. Mr. Bianchi reviewed his suggested changes. Mr. Tucker asked all committee members to get their suggested changes back to Ms. Lane for inclusion in the document and a revised document would be brought back for approval at the next meeting.

Patty's Bed and Biscuits Kennels Loan Request:

Mr. Sherwood stated he had a conflict of interest, as the borrower was also a client of his bank. Mr. Sherwood recused himself and left the meeting. Ms. Lane stated the request was for \$35,000 from John Thomas. Mr. Thomas proposes to build a 20 run dog kennel and training facility on



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property he will purchase if the project is approved by the Claverack Planning Board. The funds would be used for purchasing kennels, therapy tub, furniture, fixtures, equipment and inventory as well as working capital. The proposed interest rate was 7.25% over a term of 72 months. The collateral would be a lien on all business assets except real property. The collateral will consist of kennels, therapy tub, furniture, fixtures, equipment, inventory and accounts receivable. The loan closing would be contingent upon evidence of necessary approvals from the Town of Claverack planning and/or zoning board.

Mr. Stair made a motion, seconded by Mr. Lee to recommend the loan to the CEDC board for approval, contingent upon approvals from the Town of Claverack, evidence of an executed/recorded loan, closing of the land purchase and the building certificate of occupancy. Carried.

Project Update:

Ms. Lane stated she had several loans in the pipeline, noting most were not ready to bring to the committee.

Mr. Tucker updated the Loan Committee on Architectural Cast Stone, a proposed IDA project to be located in the Commerce Park. Project Bourbon: An international company looking at a site in Claverack, as well as an alternative site in Ulster County; Project ZYX: A possible senior housing/hotel project across the road from Project Bourbon; and the Redburn hotel project in the City of Hudson. Mr. Tucker stated there was a possibility of the County IDA doing the work on the Redburn project with the City giving direction and guidance.

Adjournment:

With no further business to come before the committee and no public present, Mr. Stair made a motion, seconded by Mr. Sherwood, to adjourn the meeting. Carried.

The meeting adjourned at 1:34 p.m.

Respectfully submitted by Lisa Draushuk