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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 August 23, 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: August 16, 2016

Sarah Sterling

Secretary

Columbia Economic Development Corporation

CEDC Loan Committee

Chairman:

Jim Mackerer

Members:

Russell Bartolotta

Rick Bianchi

Triona Fritsch

John Lee

Bob Sherwood

Colin Stair

1. Minutes, July 19, 2016*
2. Portfolio Review
 - a. Monthly Loan Report
3. Loan Policies and Procedures
4. EZ Foods of the Northeast*
5. Public Comment

Attachments:

Draft July 19, 2016 minutes

EZ Foods of the Northeast

- * Requires Approval



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MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, July 19, 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 July 19, 2016. The meeting was called to order at 1:02 pm by James Mackerer, Chairman.

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

Minutes:

Mr. Lee made a motion, seconded by Mr. Sherwood, to approve the committee minutes from May 17, 2016. Carried.

Portfolio Review:

Monthly Loan Report:

Vanderbilt:

Ms. Lane noted that the loan was 90 days delinquent. She informed the committee the SBA requires loans past due 120 days be written off. Ms. Lane suggested the loan be brought to the CEDC board meeting in August to consider a writeoff per SBA requirements. Mr. Howard stated CEDC held a second position on the property after the Bank of Greene County. He stated he would contact the borrower's attorney. The committee agreed unless payment was received the loan should be brought to the board for review in August.



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Primitive Twig:

Ms. Lane stated she would be requesting the borrower make their regular monthly payment and an additional one hundred dollars in order to help them become current.

Monkshead Nursery:

Ms. Lane stated the borrower had made payments bringing the loan current until the end of the month.

Germantown Variety:

Ms. Lane stated the owner paid the SBA loan in full and anticipated paying the CEDC loan in full by the end of July.

Mairanda's Cutting Edge:

Ms. Lane stated the loan had been paid off earlier in July.

The County Squire B&B:

Ms. Lane stated the final loan payment had been received earlier in the week.

Pete's Gone Fishin':

Ms. Lane recommended writing off the remaining balance of the loan. She stated the amount negotiated by Mr. Howard and the building's buyer had been received. *Mr. Lee made a motion, seconded by Mr. Sherwood to recommend to the CEDC Board, writing off the remaining balance on the Pete's Gone Fishin' loan. Carried.*

SBA Resolution :

Ms. Lane stated the SBA had agreed to loan CEDC an additional \$300,000 for the Microloan program. She stated the resolution would be considered at the full board meeting on 7/26. Mr. Jones asked if the recent loan payoffs would affect the loan.

Loan Policies and Procedures:

Ms. Lane stated a draft of the proposed updates had been distributed at last month's meeting. Mr. Mackerer stated he had not reviewed the draft. Ms. Lane suggested the discussion be tabled until the following month.

East Chatham Food Co. Loan Request:

Ms. Lane stated the loan request was for a total of \$35,000, \$25,000 from the SBA Microloan funds and \$15,000 from CEDC funds. The applicant had purchased the former Cottage Restaurant in East Chatham and was updating the building and equipment. The funds would be used to purchase kitchen equipment, a point of service system, glassware, stainless, opening



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inventory and provide working capital. The interest rate proposed was 7.25% over a term of 60 months. Personal guarantees would be required and a lien would be filed on all business assets.

Ms. Lane stated they hoped to open August 1st in order to take advantage of the Labor Day holiday. She stated two of the principals were experienced restaurateurs, having run a restaurant in Brooklyn. She stated one of the principals was a veteran (a targeted group by the SBA), and they had completed a business plan. She informed the committee the building had an apartment which will soon have a tenant. She stated the restaurant planned on operating 6 days a week for breakfast, lunch and dinner and would be obtaining a liquor license. She stated they were particularly aware of their pricing.

Mr. Bartolotta stressed the restaurant experience of the principals. Mr. Howard pointed out the location of the business, noting it was an underserved area of the County. Ms. Lane noted the concern with the collateral should be balanced with the owner's experience and culinary education. Mr. Lee concluded that the loans are reviewed with an eye toward the County's economic development goals. The consensus of the committee was to recommend the loan to the full board for review and approval.

Galvan Foundation Lending Fund:

Ms. Lane handed out a press release from the Galvan Foundation announcing the Hudson Venture Fund. The fund is described as "an investment and revolving loan fund supporting entrepreneurs in the City of Hudson, New York".

Other Business:

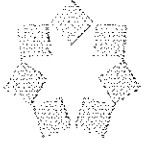
Ms. Lane stated if approved, this would be the eighth loan closed in the SBA's fiscal year, meeting the minimum requirement. Mr. Jones suggested a press release be prepared. Ms. Lane stated the SBA would be scheduling an on-site review in August. Mr. Mackerer suggested having the postponed photo op at the same time as the review. Ms. Lane stated she would contact the SBA.

Adjournment:

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

The meeting adjourned at 1:30 p.m.

Respectfully submitted by Lisa Draushuk



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MEMORANDUM

TO: CEDC Loan Committee

FROM: Martha E. Lane, Business Development Specialist

RE: Loan Request

DATE: August 16, 2016

Applicant: EZ Foods of the Northeast, LLC
Lee Wood

Amount: \$9,000 SBA Microloan

Purpose: \$2,434 to pay off existing microloan; balance of \$6,566 to purchase additional inventory, produce and print marketing materials, and for working capital.

Interest Rate: 7.25%

Term: 36 months

Collateral: First lien on all business assets including inventory, accounts receivable, chest freezers, and business equipment. Title to 2007 Toyota Tacoma pickup truck.