

# Choose Columbia

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 February 21, 2017 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: February 14, 2017

Sarah Sterling

Secretary

Columbia Economic Development Corporation

### **CEDC Loan Committee**

#### **Chairman:**

Jim Mackerer

#### **Members:**

Russell Bartolotta

Rick Bianchi

Triona Fritsch

Tony Jones

John Lee

Bob Sherwood

Colin Stair

1. Minutes, January 24, 2017\*
2. Portfolio Review
  - a. Monthly Loan Report
  - b. Loan Loss Review
3. House Rules Cafe\*
4. Philmont Beautification Inc.\*
5. Public Comment

#### **Attachments:**

Draft January 24, 2017 minutes

Loan Status Report

House Rules Café Writeup

Philmont Beautification Inc. Writeup

\* Requires Approval



# Choose Columbia

Columbia Economic Development Corporation

**DRAFT**

**MINUTES**  
**COLUMBIA ECONOMIC DEVELOPMENT CORPORATION**  
**LOAN COMMITTEE**  
**Tuesday, January 24, 2017**  
**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 January 24, 2017. The meeting was called to order at 1:02 pm by Jim Mackerer, Chairman.

Attendee Name	Title	Status	Arrived
Russell Bartolotta	Committee Member	Excused	
Rick Bianchi	Committee Member	Present	
Triona Fritsch	Committee Member	Excused	
John Lee	Committee Member	Present	
James Mackerer	Chairman	Present	
Bob Sherwood	Committee Member	Present	Departed 1:39pm
Colin Stair	Committee Member	Excused	
Tony Jones	Committee Member	Present	
F. Michael Tucker	President/CEO	Present	
Andy Howard	CEDC Attorney	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Carol Wilber	Marketing Director	Present	
Edward Stiffler	Economic Developer	Present	
Lisa Drahushuk	Administrative Supervisor	Present	

**Election of Committee Chairman:**

*Mr. Bianchi made a motion, seconded by Mr. Jones to nominate Mr. Mackerer as Committee Chairman. Carried.*

**Charter Review**

Mr. Mackerer asked if there were any questions or changes requested to the Charter. Mr. Tucker stated the by-laws were not clear regarding the role of ex-officio Board members in the role of obtaining a quorum on the committee level. The question would be reviewed further. Mr. Mackerer asked the definition of an "independent member" as stated in the Charter. Mr. Howard



# Choose Columbia

Columbia Economic Development Corporation

**DRAFT**

stated it was an ABO requirement and was based on financial compensation. He stated all current members of the Committee were independent. *Mr. Lee made a motion, seconded by Mr. Sherwood to approve the Charter. Carried.*

## **Self-Evaluation:**

Mr. Mackerer requested the form be completed and returned at the member's earliest convenience to Mrs. Drahushuk.

## **Minutes:**

Mr. Jones noted the time of his arrival was incorrect, and should be corrected. *Mr. Jones made a motion, seconded by Mr. Lee, to approve the corrected committee minutes from December 6, 2016. Carried.*

## **Portfolio Review:**

### **Monthly Loan Report:**

Mr. Tucker reviewed the loan report with the Board. Mr. Mackerer questioned the balance on the Nancyscan loan. Ms. McNary stated the amount due was the balance of the loan. She noted late fees were being paid. Mr. Mackerer questioned the Paul Calcagno loan. Ms. McNary stated a payment had just been received, but the loan continued to be past due.

Mr. Tucker turned his attention to the SBA portfolio. Ms. Lane reviewed the past due loans: Primitive Twig continued to struggle; Sip-n-Suds would be re-written out of CEDC funds, paying off the current SBA loan; Les Collines was seeking a six-month deferment; Monkshood had received a loan modification last year, and was now attempting to sell the property and pay CEDC with the proceeds. She noted the property had a potential buyer.

## **Loan Loss Review:**

Mr. Tucker stated CEDC auditor, Matt Vanderbeck had suggested that the loan loss reserve be reviewed quarterly to ensure the Board is aware sufficient reserves are available. Currently the reserves contained 15% for CEDC loans and 35% for SBA. Mr. Tucker reminded the Committee that \$240,000 had been reserved to payoff SBA loans. He stated the funds had previously been taken from the operating account. Mr. Tucker stated CEDC should do an internal report from the loss committee to the Loan Committee Mr. Sherwood suggested Mr. Tucker contact Mr. Vanderbeck for an appropriate document. He stated any such bank documents would be longer due to the banking regulations.



**DRAFT**

# Choose Columbia

Columbia Economic Development Corporation

## **State 11 Distillery:**

Ms. Lane stated the company was a LLC with three principals; Sophie Newsome, J. Stuart Newsome and Louise Newsome. They plan to open a farm distillery and tasting room at their site in Claverack. They are requesting a \$25,000 SBA loan and a CEDC loan in the same amount to be used for purchasing equipment, furniture, fixtures and inventory and provide working capital. The interest rate proposed was 7.25% on the SBA loan and 5.25% on the CEDC loan. The term would be 72 months with a lien on business assets. Ms. Lane stated the business anticipated creating 3 full time and 3 part-time jobs.

Mr. Bianchi asked if they had obtained additional financing. Ms. Lane stated they would be seeking an additional \$50,000. She stated she would require proof of the funding prior to closing. Mr. Bianchi asked about the 2 point difference in interest rates. Ms. Lane stated based on credit reports and the additional funds available, a lower rate was warranted. She stated the rate was open for discussion. Mr. Mackerer asked about an opening timeline. Ms. Lane stated the planned opening would be late spring/early summer.

*Mr. Sherwood made a motion, seconded by Mr. Lee to enter Executive Session under Public Officers Law, Article 7 Section 105 f.: 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 at 1:28pm.*

*Mr. Jones made a motion, seconded by Mr. Lee to exit Executive Session. Carried. Executive Session ended at 1:35pm.*

*Mr. Lee made a motion, seconded by Mr. Sherwood to recommend the loan to the CEDC board. Carried.*

## **Chris' Café:**

Ms. Lane stated the applicant, Nicholas Jennings planned to purchase the assets of Chris' Café in Valatie. He was requesting a \$5,000 SBA loan and a \$10,000 CEDC loan. The funds would be used to purchase the furniture, fixtures, equipment and inventory. The interest rate would be 7.00% on the SBA loan and 6.00% on the CEDC loan, over a term of 60 months. The project is expected to retain 2 full time and 10 part-time jobs. Collateral will consist of a lien on business assets, including equipment, furniture, fixtures, inventory and accounts receivables.





# Choose Columbia

Columbia Economic Development Corporation

**DRAFT**

Ms. Lane stated he has worked at the café for approximately 8 years. She stated there would be a \$50,000 loan held by the current owner. She stated she would continue to provide technical assistance and encourage him to attend the MicroBusiness class in the fall.

Mr. Mackerer reminded the Committee that they would be approving this loan and not referring it to the full board per the loan policy. *Mr. Sherwood made a motion, seconded by Mr. Bianchi to approve the loan as presented. Carried.*

## **Brown's Custom Auto Body:**

Mr. Sherwood recused himself from the meeting due to the banking relationship with the loan client. Ms. Lane presented a brief background on the loan. The principals, Gary Brown and Christine Sauca had requested a \$12,500 SBA loan and a \$12,500 CEDC loan with a term of 60 months. The loan would be used to purchase the property and business assets of Columbia Sales Corp. They would not be purchasing the used car inventory.

The interest rate on the SBA loan would be 7.00% and the CEDC loan rate would be 6.00%. Collateral would be a lien on business assets valued at \$25,000. Mr. Lane stated Kinderhook Bank would also be providing a loan, and they had agreed to leave collateral worth \$25,000 available for CEDC. The project was expected to retain 3 full time jobs, create 1 additional full time position, as well as 1 part-time position.

Mr. Jones question if the nearby Broadway Auto would affect their business. Mr. Mackerer stated the business differed from Broadway Auto because they financed the cars they sold. Mr. Mackerer asked if there were further questions. *Mr. Bianchi made a motion, seconded by Mr. Lee to recommend the loan to the CEDC board. Carried.*

## **Adjournment:**

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

The meeting adjourned at 1:47 p.m.

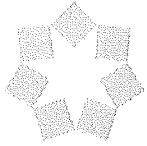
*Respectfully submitted by Lisa Drahushuk*

2/13/2017										
SBA Micro Loan										
Loan Type	Orig Loan Amount	Orig Loan date	Loan Bal	# of Years	Interest Rate	Monthly Payment	Day Due	Past Due if >30	Last Pymt	Change Date
BASILICA INDUSTRIES	\$35,000	04/13/16	30,496.00	6	7.00%	\$693.04	13		01/16/17	04/13/21
CHATHAM CAFÉ & DELI	\$25,000	08/06/15	20,096.00	6	7.75%	\$435.29	6		01/23/17	08/06/21
DIRTWORX (Schulze)	\$35,000	03/21/13	14,605.00	6	8.00%	\$613.66	21		01/23/17	03/21/19
EAST CHATHAM FOOD CO	\$20,000	08/04/16	18,309.30	5	7.25%	\$398.39	4		02/03/17	08/04/21
CHATHAM BREWING	\$27,500	08/14/13	12,701.00	6	6.50%	\$462.27	14		01/23/17	08/14/19
EZ FOODS #3	\$9,000	08/31/16	7,858.00	3	7.25%	\$278.75	31		02/03/17	08/30/19
BLACK FOREST FLAMMKUCHEN	\$23,000	05/27/14	11,805.00	5	7.50%	\$460.87	27		02/02/17	05/27/19
HUDSON -ATHENS RETAIL VENT	\$25,000	03/26/14	14,580.00	6	7.50%	\$432.25	26		01/17/17	03/26/20
HUDSON CLOTHIER	\$20,000	05/01/15	15,090.00	6	7.75%	\$348.23	1		02/10/17	05/01/21
HUDSON CHATHAM WINERY	\$20,500	08/02/13	10,024.00	6	6.00%	\$339.74	2	\$339.74	12/28/16	08/02/19
J. SWARTZ ENGINE REPAIR #2	\$10,000	04/08/15	7,849.00	5	7.75%	\$201.57	8		01/18/17	04/08/20
JEM WOODWORKING #2	\$25,000	06/01/15	19,140.00	6	7.50%	\$432.25	1		02/02/17	06/01/21
KLAVERACK BREWERY	\$25,000	04/22/15	17,714.00	5	7.75%	\$503.92	22		02/03/17	04/22/20
LES COLLINES	\$19,500	07/06/15	15,912.00	6	7.75%	\$339.52	6	\$679.00	11/28/16	07/06/21
MONKSHOOD NURSERY	\$9,000	12/30/13	4,313.00	5	7.50%	\$180.16	30	\$360.32	11/28/16	12/30/18
MCDARIS FINE ART	\$15,000	03/11/13	930.00	4	7.50%	\$362.68	11		01/04/17	03/11/17
OAK PIZZERIA NAPOLETANA	\$25,000	05/11/16	22,165.00	5	7.25%	\$497.98	11		01/12/17	05/11/21
OLDE HUDSON,LLC	\$35,000	12/02/15	29,819.00	6	7.75%	\$609.40	2		01/17/17	12/02/21
PAGADA HOME, INC.	\$25,000	11/11/15	20,958.00	7	7.75%	\$435.29	11		01/20/17	11/11/21
PARR INABAR CORPORATION	\$15,000	04/23/13	6,332.00	6	7.00%	\$255.74	23		01/19/17	04/23/19
PRIMITIVE TWIG	\$15,000	12/10/13	6,923.00	5	7.50%	\$300.57	10	\$600.00	01/20/17	03/21/16
TALBOTT, ARDING & CO.	\$25,000	03/31/16	22,145.00	6	7.25%	\$428.84	30		01/20/17	03/30/22
RONNYBROOK	\$25,000	02/06/14	13,896.00	6	7.50%	\$432.25	6		01/23/17	02/06/20
SCHERIFF ELECTRICAL	\$25,000	12/19/14	17,596.00	6	7.75%	\$435.29	19		01/18/17	12/19/20
VERDIGRIS TEA	\$30,000	09/09/15	24,480.00	6	7.75%	\$522.34	9		02/10/17	09/09/21
\$ 563,500.00 \$ 385,736.30 \$ 10,400.29										
Current Total	\$1,935,808.02		\$1,143,136.11			\$29,041.29				



## CEDC LOAN STATUS REPORT

<b>LOAN FUND 2/13/17</b>		RECIPIENT	LOAN TYPE	ORIG. LOAN AMOUNT	ORIGIN. Loan Date	Loan Bal	# of YEARS	INTEREST RATE	MONTHLY PAYMENT	DAY DUE	PAST DUE IF > 30	Last PYMT	CHANGE DATE
		ANGELLO'S DISTRIBUTING	SC	\$100,000	01/01/06	35,298.00	15	6.00%	\$843.86	1		02/06/17	01/01/21
		CHATHAM BREWING	CDBG	\$47,500	08/14/13	26,180.00	6	5.00%	\$764.98	14		01/23/17	02/14/20
		CHATHAM CAFÉ & DELI	CDBG	\$25,000	08/06/15	20,096.00	6	7.75%	\$435.29	6		01/23/17	08/06/21
		EAST CHATHAM FOOD Co.	CDBG	\$15,000	08/04/16	13,947.00	5	7.25%	\$298.79	4		02/03/17	08/04/21
		HUDSON CHATHAM WINERY LF	CDBG	\$32,045	08/02/13	14,955.00	6	3.00%	\$486.88	2	\$486.88	12/28/16	08/02/19
		HUDSON RIVER LAUNDRESS	CDBG	\$7,394	03/01/17	7,394.00	3	6.00%	\$112.00	1			12/01/19
		HUDSON-ATHENS RETAIL	CDBG	\$25,000	08/13/14	16,255.00	6	7.50%	\$432.25	13		01/23/17	08/13/20
		HUDSON CRUISES, INC.	CDBG	\$50,000	06/15/14	46,634.00	10	7.00%	\$387.65	15		01/30/17	06/15/24
		HUDSON VALLEY CREAMERY	SC	\$100,000	01/01/12	30,903.00	7	5.00%	\$1,413.89	1		01/11/17	01/01/19
		HUDSON VALLEY CREAMERY 184	SC	\$184,000	05/01/12	66,281.00	7	5.00%	\$2,600.64	1		01/11/17	05/01/19
		J.E.M. WOODWORKING #2	CDBG	\$32,067	06/01/15	24,372.00	6	6.50%	\$539.04	1		02/02/17	06/01/21
		LINDA MARRISH (THE POND)*	CDBG	\$148,209	12/08/15	137,329.81	8	6.00%	\$1,804.71	11		01/31/17	01/11/25
		THE LAUNDRESS	CDBG	\$7,394	03/01/17	7,394.00	3	6.00%	\$112.00	1			12/01/19
		LABELLA OF VALATIE, INC	CDBG	\$50,000	02/15/11	6,050.00	6	8.50%	\$888.92	15		01/20/17	03/15/17
		MONKSHOOD NURSERY *	CDBG	\$10,000	12/30/13	8,468.00	5	4.00%	\$184.08	30 *		11/28/16	06/30/19
		MARIOS HOME CENTER	CDBG	\$100,000	10/01/09	28,902.00	10	2.25%	\$931.37	1		01/30/17	10/01/19
		OLDE HUDSON	CDBG	\$40,000	12/02/15	34,078.00	6	7.75%	\$696.46	2		01/17/17	10/01/19
		NANCYSCANS CORP	CDBG	\$100,000	11/16/09	9,022.00	7	8.00%	\$1,558.88	16	\$9,022.00	01/19/17	11/16/16
		PAGODA HOME, INC.	CDBG	\$25,000	11/11/15	20,958.00	7	7.75%	\$435.29	11		01/20/17	10/01/19
		PAUL CALCAGNO	CDBG	\$60,000	12/15/14	37,897.00	2	7.00%	\$1,232.02	15	\$1,232.02	01/17/17	09/25/19
		PARR INABAR CORP.	CDBG	\$35,000	04/23/13	14,816.00	6	7.00%	\$596.72	23		01/19/17	04/23/19
		RONNYBROOK	CDBG	\$25,000	02/06/14	13,896.00	7	7.50%	\$432.25	6		01/23/17	03/06/20
		Scheriff	CDBG	\$25,000	12/19/14	17,596.00	6	7.75%	\$435.29	19		01/18/17	12/19/20
		PHOENIX SERVICES	CDBG	\$128,699	05/01/15	118,678.00	15	5.00%	\$1,017.74	1		01/06/17	05/01/30
		TOTAL		\$1,372,308.02		\$757,399.81			\$18,641.00		\$10,740.90		
		Monkshood Int. only *											
		GRANTS											
		Flanders	LF	200,000.00	07/11/11	\$ 200,000.00							
		HVCreamery	SC	100,000.00	04/24/12	\$ 40,000.00							
		Barlow	LF	5,000.00	05/15/13								



# Choose Columbia

Columbia Economic Development Corporation

## MEMORANDUM

**TO:** CEDC Loan Committee

**FROM:** Martha E. Lane, Business Development Specialist

**RE:** Loan Request

**DATE:** February 13, 2017

---

**Applicant:** House Rules Café  
757 Columbia Street  
Hudson, NY 12534  
Kathleen Miller

**Amount:** \$10,000 SBA Microloan

**Project:** Applicant proposes to open a game café offering light fare, table service, and a board game library.

**Purpose:** Purchase furniture, fixtures, equipment, and inventory; pay for build-out of space; and provide working capital.

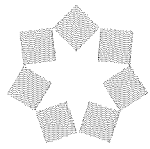
**Interest Rate:** 7.25%

**Term:** 60 months

**Collateral:** Lien on all business assets including kitchen equipment, refrigeration, furniture, fixtures, POS system, inventory, and accounts receivables.

**Jobs:** Project is expected to create 2+ FTE jobs





# Choose Columbia

Columbia Economic Development Corporation

## MEMORANDUM

**TO:** CEDC Loan Committee

**FROM:** Martha E. Lane, Business Development Specialist

**RE:** Loan Request

**DATE:** February 10, 2017

---

**Applicant:** Philmont Beautification, Inc.  
113 Main Street  
PO Box 1072  
Philmont, NY 12565

**Amount:** \$30,000 CEDC Loan

**Project:** Applicant has been awarded a USDA grant to purchase equipment for the Philmont Community Kitchen. It is a reimbursement grant. PB Inc. is seeking capital to make the purchase, and pay back the loan using the reimbursement.

**Purpose:** Purchase equipment per approved equipment list TBD.

**Interest Rate:** 3.00%, with interest to be forgiven upon repayment of principal.

**Term:** 12 months, with payments deferred for six months.

**Collateral:** Letter from USDA stating that \$30,000 reimbursement will be paid directly to CEDC.

**Jobs:** Project is not expected to create or retain jobs.