

Choose Columbia

Columbia Economic Development Corporation

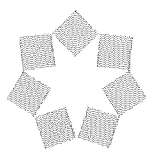
MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, February 21, 2017
4303 Route 9
Hudson, New York

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 February 21, 2017. The meeting was called to order at 1:04 pm by Jim Mackerer, Chairman.

Attendee Name	Title	Status	Arrived
Russell Bartolotta	Committee Member	Excused	
Rick Bianchi	Committee Member	Excused	
Triona Fritsch	Committee Member	Present	
John Lee	Committee Member	Present	
James Mackerer	Chairman	Present	
Bob Sherwood	Committee Member	Excused	
Colin Stair	Committee Member	Present	
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	Excused	
Carol Wilber	Marketing Director	Present	Arrived at 1:10pm
Edward Stiffler	Economic Developer	Present	
Kayla Duntz	Intern	Present	
Lisa Drahushuk	Administrative Supervisor	Present	

Portfolio Review:

Ms. Lane stated the check for the Hudson Chatham Winery had been received just prior to the meeting. She stated Monkshood Nursery was trying to sell their property and no payments had been received or anticipated prior to the sale of the property. Ms. Lane stated Ms. McNary had received an email from Primitive Twig stating they had put a check in the mail. Mr. Stair asked about Nancyscans. Mr. Tucker stated the last payment received had been on 1/19/17. He noted that the payments were being received albeit slowly. Ms. Lane stated the Sip n Suds loan had been modified and Les Collines had accepted a 6 month payment deferment.



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Minutes:

Mr. Stair made a motion, seconded by Mr. Jones to approve the minutes from the January 24, 2017 meeting. Carried.

House Rules Café:

Ms. Lane stated the request was for \$10,000 at 7.25% interest over a term of 60 months. The applicant proposed opening a game café offering light fare, table service and board games. The funds would be used to purchase furniture, fixtures, equipment and inventory, working capital and pay for build-out of space. Collateral would be a lien on all business assets. The project was anticipated to create 2 or 2.5 full time equivalent jobs.

Mr. Mackerer expressed his concern that the project didn't have sufficient capital to sustain itself. He also expressed concern for the site, stating it was not in a heavily traveled area. The committee reviewed the projections and the request. After a review of the application, financials and projections, the Committee decided to not approve the loan request. They asked Ms. Lane to encourage the applicant to find other funding and return with tighter projections.

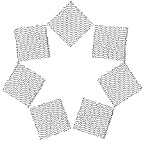
Philmont Beautification Inc.:

Ms. Lane stated a loan request had been received from Philmont Beautification Inc., a not-for-profit, who was undertaking the construction of a commercial kitchen in the village of Philmont.

Ms. Lane stated the request was for a \$30,000 bridge loan. She stated Philmont Beautification Inc. had been awarded a USDA \$30,000 reimbursement grant for equipment to be used in the Philmont Community Kitchen project. She stated they were currently working with the USDA on the equipment list, which once approved would need to be purchased and installed. The funds would be used to pay for the equipment included on the approved list.

Ms. Lane proposed an interest rate of 3%, with interest to be forgiven upon repayment of principal, for a twelve-month term. The Committee questioned the term length. Ms. Lane responded that the terms didn't include a prepayment penalty, and felt it was prudent to allow sufficient time in case of any unforeseen circumstances arose. She noted the collateral consisted of a letter from the USDA stating the \$30,000 equipment reimbursement would be sent directly to CEDC. She informed the Committee the check from the USDA would be sent upon receipt of the certificate of occupancy.

The Committee discussed the loan terms, deciding the loan should be made contingent upon receipt of the USDA letter stating reimbursement would be made directly to CEDC and upon receipt, the 3% interest would be forgiven. *Mr. Jones made the motion, seconded by Mr. Lee recommending approval of a \$30,000 loan to Philmont Beautification Inc. to the full CEDC Board with the terms as outlined. Carried.*



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Other Business:

Mr. Jones asked if Ms. Lane had other potential loans to be brought to the Committee in the future. Ms. Lane stated several people had contacted her about Otto's Market in Germantown. She informed the Committee that the loan for State 11 Distillery was on track to close later in the week.

Mr. Tucker stated Mr. Jones and he had met with The Bank of Greene County branch managers in Columbia County. They had taken the opportunity to inform them about the CEDC loan program, and the opportunity for the bank to partner or refer clients to CEDC.

Mr. Tucker stated he had discussed the possibility of obtaining an account with the County and obtaining mortgages, DBA's and deed recordings on a regular basis. He stated this could be done in house or through a title abstracter. He also suggested contacting bankers, lawyers and accountants to obtain leads in a focused and targeted manner.

Mr. Tucker stated he had met with the owner of The Falls at Hudson, who had discussed his plans for a new project consisting of an 80 room hotel. Mr. Lee noted the current facility had hosted a wedding event and had requested to use his parking. He noted he had been told the event was extremely well attended.

Mr. Tucker stated the Wick was moving forward, and had paid the IDA a portion of their closing fee in order to access their sales tax benefits. He stated the Bond counsel was currently preparing the closing documents. He informed the Committee that the agreed upon fee and documents would be transferred to the City of Hudson for execution.

He informed the Committee that the contract with the City of Hudson was being charged \$10,000 per year with an additional 10% charged for each project. He noted he had offered to do the same for the County IDA, who had stated they would maintain their current contract terms for one more year. He stated he would be meeting with Ms. Salvino of HDC later in the week.

Mr. Jones noted a number of Warren Street retail businesses have substantial online sales. He suggested maybe CEDC could target a loan program to growing the internet sides of these businesses, and work with them on warehousing space, possibly in some co-location arrangement.

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

The meeting adjourned at 1:47 p.m.

Respectfully submitted by Lisa Draushuk