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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 September 19, 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: September 12, 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, August 22, 2017*
2. Loan Committee Evaluation
3. Portfolio Review
 - a. Monthly Loan Report
4. Copake General Store*
5. D'Arcy Smith*
6. Public Comment

Attachments:

Draft August 22, 2017 minutes

Loan Portfolio

Copake General Store

D'Arcy Smith

- * Requires Approval



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MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, August 22, 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 August 22, 2017. The meeting was called to order at 1:03 pm by James 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	Excused	
Colin Stair	Committee Member	Present	
Tony Jones	Committee Member	Present	
F. Michael Tucker	President/CEO	Present	
Andy Howard	CEDC Attorney	Present	
Brandon Dory	Project Manager	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Edward Stiffler	Economic Developer	Present	
Carol Wilber	Marketing Director	Present	
Lisa Drahushuk	Administrative Supervisor	Present	

Minutes:

Mr. Jones made a motion, seconded by Mr. Stair to approve the minutes from the May 16, 2017 meeting. Carried.

Portfolio Review:

Ms. Lane reported no severe delinquencies. She noted the principals of the Chatham Café and Deli had been contacted regarding the payment of their loan, currently in default. Only one of the three had contacted the office to discuss a payment agreement. Mr. Tucker suggested Mr. Howard



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be authorized to talk to the principals. Ms. Lane stated the SBA was aware of the situation, noting the loan was now 120 days delinquent and requiring write off under SBA guidelines. *Mr. Stair made a motion, seconded by Mr. Bianchi authorizing Mr. Howard to proceed with the appropriate legal action required to work out a payment plan and recommending the loan write-off to the full board. Carried.*

A Green Beauty:

Ms. Lane stated the applicant wished to form a not-for-profit enabling her to attract sponsorships and donations to allow her biannual publication to continue. Ms. Lane stated the publication was well received and of excellent quality. The request is for \$5,000, used for working capital. The term proposed was 36 months with a 7.25% interest rate, and collateral consisting of a lien on business and personal assets. *Mr. Stair made a motion, seconded by Mr. Lee to approve the loan as presented. Carried.*

Hudson – Athens Retail Ventures:

Ms. Lane stated the applicant currently had two loans with CEDC. They were requesting \$25,000 from CEDC and \$25,000 from the SBA. Funds would be used to add content to the existing website, specifically targeting the company's design services. The current loans would be paid off at closing.

The proposed terms would be 72 months on both loans, with the interest rate on the SBA loan set at 6%, and 5% on the CEDC loan. Collateral would consist of a lien on computers, telephone system, light fixtures and inventory as well as a second mortgage on rental property. The project anticipates retaining four full - time and five part - time jobs. *Mr. Lee made a motion, seconded by Mr. Stair, to approve the SBA and the CEDC loan as presented. Carried.*

Other Business:

Ms. Lane reviewed the loan risk - assessment handout with the Committee. Mr. Tucker stated it provided a quarterly snap shot of the loan reserves. Mr. Tucker passed out a chart showing the interest earned by the SBA portfolio.

Mr. Tucker proposed annually allocating 2% of the outstanding loan balance as an administrative fee. He noted that the remainder would be available for relending. Mr. Jones expressed his support, noting it allows for the replenishment of the loan fund. Mr. Tucker recommended allocating the 2% for one year and then reviewing the results for the continuation of the practice. Mr. Tucker suggested the Loan Committee recommend the idea to the Finance Committee, which would then be referred it to the full board. *Mr. Stair made a motion, seconded by Mr. Lee to recommend to the Finance Committee; allocating 2% of the outstanding loan fund balance as an*



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annual administrative fee, with the remainder used for replenishing the reserve accounts or lent as part of the existing loan fund. Carried.

Mr. Tucker stated the paperwork had been signed to drawdown \$150,000 of the \$300,000 previously awarded to CEDC in SBA Microloan funding. Mr. Tucker reviewed the loan loss reserves in the SBA accounts with the Committee. He noted that the 15% required reserve for new \$150,000 had been deposited. Mr. Tucker reviewed the funds available to lend, noting \$516,000 was currently available in the SBA and \$910,000 was available in the CEDC fund.

The Committee discussed two potential loans, one in Hudson and one in Valatie. Mr. Tucker had no paperwork yet, but stated one was a not-for-profit who was interested in closing quickly. He stated he would have the paperwork in hand in time for the full board meeting and would get a package together to present. The committee requested Mr. Howard speak to the attorney and the accountant involved in the project for further information.

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

The meeting adjourned at 2:01 p.m.

Respectfully submitted by Lisa Draushuk

CEDC LOAN STATUS REPORT

8/31/2017		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
SBA Micro Loan												
BASILICA INDUSTRIES	MICRO	\$35,000	04/13/16	26,826.00	6	7.00%	\$693.04	13			08/14/17	04/13/21
BROWN'S CAR SALES, LLC	MICRO	\$12,500	08/31/17	12,500.00	5	7.00%	\$247.51	31				08/31/22
EAST CHATHAM FOOD CO	MICRO	\$20,000	08/04/16	16,556.00	5	7.25%	\$398.39	4			07/31/17	08/04/21
EZ FOODS #3	MICRO	\$9,000	08/31/16	6,439.39	3	7.25%	\$278.75	31			07/31/17	08/30/19
BLACK FOREST FLAMMIKUCHEN	MICRO	\$23,000	05/27/14	9,043.00	5	7.50%	\$460.87	27			08/18/17	05/27/19
FOX & HARROW	MICRO	\$8,500	06/05/17	8,193.00	4	7.25%	\$204.53	5			08/28/17	06/05/21
HUDSON -ATHENS RETAIL VENT	MICRO	\$25,000	03/26/14	12,147.00	6	7.50%	\$432.25	26			08/14/17	03/26/20
HUDSON CLOTHIER	MICRO	\$20,000	05/01/15	13,560.00	6	7.75%	\$348.23	1			08/14/17	05/01/21
HUDSON CHATHAM WINERY	MICRO	\$20,500	08/02/13	7,966.00	6	6.00%	\$339.74	2			08/14/17	08/02/19
J. SWARTZ ENGINE REPAIR #2	MICRO	\$10,000	04/08/15	6,773.00	5	7.75%	\$201.57	8			08/17/17	04/08/20
JEM WOODWORKING #2	MICRO	\$25,000	06/01/15	17,234.00	6	7.50%	\$432.25	1			07/31/17	06/01/21
B,Dorsey Les Collines	MICRO	\$19,500	07/06/15	15,197.00	6	7.75%	\$339.52	6			08/25/17	07/06/21
215 MAIN VENTURES, LLC	MICRO	\$25,000	06/30/17	24,442.00	6	7.25%	\$429.23	30			08/30/17	06/30/23
NICK JENNINGS (TBD)	MICRO	\$5,000	04/13/17	4,718.00	5	7.00%	\$99.01	13			08/14/17	04/13/22
OAK PIZZERIA NAPOLETANA	MICRO	\$25,000	05/11/16	19,560.00	5	7.25%	\$497.98	11			08/14/17	05/11/21
OLDE HUDSON, LLC	MICRO	\$35,000	12/02/15	26,844.00	6	7.75%	\$609.40	2			08/14/17	12/02/21
PAGODA HOME, INC.	MICRO	\$25,000	11/11/15	18,819.00	6	7.75%	\$435.29	11			08/21/17	11/11/21
PARR INABAR CORPORATION	MICRO	\$15,000	04/23/13	4,776.00	6	7.00%	\$255.74	23			07/12/17	04/23/19
PRIMITIVE TWIG	MICRO	\$15,000	12/10/13	5,089.00	5	7.50%	\$300.57	10		\$300.00	08/29/17	03/21/16
TALBOTT, ARDING & CO.	MICRO	\$25,000	03/31/16	20,032.00	6	7.25%	\$428.84	30			08/18/17	03/30/22
RONNYBROOK	MICRO	\$25,000	02/06/14	11,791.00	6	7.50%	\$432.25	6			08/17/17	02/06/20
STATE 11 DISTILLERY	MICRO	\$25,000	02/24/17	23,305.00	6	7.25%	\$429.23	6			08/14/17	02/24/23
SCHERIFF ELECTRICAL	MICRO	\$25,000	12/19/14	15,301.00	6	7.75%	\$435.29	19			08/14/17	12/19/20
VERDIGRIS TEA	MICRO	\$30,000	09/09/15	21,880.00	6	7.75%	\$522.34	9			08/14/17	09/09/21
		\$ 503,000.00		\$ 348,991.39			\$ 9,251.82					
Current Total		\$1,915,238.30		\$1,080,824.39			\$28,175.80					



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MEMORANDUM

TO: CEDC Loan Committee
FROM: Martha E. Lane, Business Development Specialist
RE: Loan Request
DATE: September 11, 2017

Applicant: D'Arcy Smith
DBA Rckhoundzz
16 Firehouse Road
Germantown, NY 12525

Amount: \$2,000 SBA Microloan

Project: Client hand-mines quartz and other minerals. She sells some as-is, and others she sets in jewelry. She seeks a working capital loan to begin selling on Etsy and at craft fairs.

Purpose: Working capital

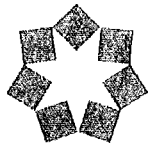
Interest Rate: 7.00%

Term: 36 months

Payment: \$61.75 per month

Collateral: Lien on business and personal assets

Jobs: Project is expected to create 1 FT job.



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MEMORANDUM

TO: CEDC Loan Committee

FROM: Martha E. Lane, Business Development Specialist

RE: Loan Request

DATE: September 11, 2017

Applicant: Suh6 Enterprises, LLC
DBA Copake General Store
171 County Route 7A
Copake, NY 12516

Amount: \$25,000 SBA Microloan
\$25,000 CEDC Loan

Project: Applicant purchased the former Copake Front Porch. Applicant now seeks a loan for the build out of the space and for working capital.

Purpose: Working capital, interior build out

Interest Rate: 7.00% on the SBA Microloan
5.00% on the CEDC Loan

Term: 72 months

Payment: \$427 per month on the SBA Microloan
\$403 per month on the CEDC Loan

Collateral: Lien on all business assets, title to personal vehicle

Jobs: Project is expected to retain 1 FT job and 2 PT jobs.