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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 October 22, 2019 at 1:00pm at Columbia County Chamber of Commerce, 1 North Front Street, Hudson, NY 12534 for the purpose of discussing any matters that may be presented to the Committee for consideration.

Dated: October 15, 2019

Sarah Sterling

Secretary, Columbia Economic Development Corporation

CEDC Loan Committee

Chairman:

Members:

David Fingar

Robert Sherwood

John Lee

Sarah Sterling

Seth Rapport

Brian Stickles

1. Minutes, September 17, 2019*
2. Loan Committee Charter Review*
3. Portfolio Review
 - a. Monthly Loan Report*
4. Philmont Beautification Inc.*
5. Robert Castellano*
6. JEM Woodworking and Cabinets Inc.*
7. Miracle Spring Farm*
8. Hudson Development Corporation Loan
9. Public Comment

Attachments:

Draft September 17, 2019 minutes

Loan Committee Charter

Portfolio Report

Robert Castellano

JEM Woodworking and Cabinets Inc.

* Requires Approval



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Meeting Minutes
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Tuesday, September 17, 2019
4303 Route 9
Hudson, New York

A regularly scheduled meeting of Columbia Economic Development Corporation’s (CEDC) Loan Committee was held Columbia Greene Community College located at 4400 Route 23, Hudson, NY 12534 on September 17, 2019. Robert Sherwood, Acting-Chairman, called the meeting to order at 1:04 pm.

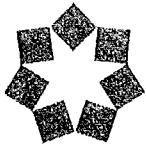
Attendee Name	Title	Status	Arrived/Departed
David Fingar	Committee Member	Present	
John Lee	Committee Member	Present	
Seth Rapport	Committee Member	Present	
Bob Sherwood	Committee Member	Present	
Sarah Sterling	Committee Member/Alternate	Excused	
Brian Stickles	Committee Member/Alternate	Excused	
F. Michael Tucker	President/CEO	Present	
Andy Howard	CEDC Attorney	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Excused	
Edward Stiffler	Economic Developer	Excused	
Carol Wilber	Marketing Director	Excused	
Lisa Drahushuk	Administrative Supervisor	Present	
Kayla Duntz	CEDC Intern	Present	

Minutes:

Mr. Sherwood asked for any changes to the minutes of May 14, 2019. *Mr. Lee made a motion, seconded by Mr. Rapport to approve the minutes as presented. Carried.*

Portfolio Review:

Ms. Lane stated a demand letter was issued to Angello’s. She noted Calcagno continued to pay monthly, it was anticipated his loan would pay off by the end of the year. Ms. Lane stated she would contact Fahari Bazaar to determine the reason for the late payment. She informed the Committee Serenity Wellness was 3 months behind in their payments. She stated a demand letter



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would be sent. Mr. Tucker stated he would Check with Ms. McNary when she returned to determine if a payment had been received from 41 Cross Street.

Hudson Development Corporation:

Ms. Lane excused herself from the room due to her position as a board member of Hudson Development Corporation. Mr. Tucker stated the CEDC commitment expired on August 31, 2019. He asked the Committee if they wished to recommend the extension of the commitment. Mr. Fingar made a motion, seconded by Mr. Lee to recommend the extension of the HDC loan commitment. Carried.

Philmont Beautification Inc.:

Ms. Lane stated Philmont Beautification had been awarded a USDA Rural Development Grant for a Downtown Revitalization Plan. They had requested a \$25,000 loan from CEDC for working capital which would allow them to engage the community, pay staff and hire consultants. The USDA will reimburse for the project costs after the project is complete. CEDC will be reimbursed once Philmont Beautification receives the USDA funds. Ms. Lanes stated the anticipated reimbursement is July 2020 noting the accumulating interest would be forgiven upon repayment. Ms. Lane noted the borrower would be charged closing costs. *Mr. Rapport made a motion, seconded by Mr. Lee to recommend the loan to the Full Board. Carried.*

Loan Program Business Plan:

Mr. Tucker stated it was still in process. He would like to review a ramping up of the marketing to diversify the portfolio.

Quarterly Risk Analysis:

Ms. Lane reviewed the risk analysis with the Committee. She noted there were quirks with the software she would be working through. She stated in future she would be providing copies to the Committee.

Loan Reserve Analysis:

Mr. Tucker stated the loan reserve would be broken out in the balance sheet.

With no public present and no further business, Mr. Lee made a motion, seconded by Mr. Fingar to adjourn the meeting. Carried. The meeting adjourned at 1:39pm.

Respectfully submitted by Lisa Draushuk

Columbia Economic Development Corporation Loan Committee Charter

Purpose:

Pursuant to Article IV, Section 1 of the Corporation's bylaws, the purpose of the Loan Committee is to: (i) assist the Board in setting the strategic direction for the Corporation's lending operations, (ii) assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's lending (iii) assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's loan servicing operations and (iv) fulfill such other responsibilities as assigned to it by the Board.

Duties of the Loan Committee:

It shall be the responsibility of the loan committee to:

- The primary responsibility of the Committee is to review and recommend loans and aggregate loan relationships with any individual customer and his or her affiliates that exceed a minimum amount and up to and not to exceed the legal lending limit of the Corporation.
- In connection with the review and approval of any loan request, the Committee shall consider such information as it determines to be consistent with prudent lending practices, including financial statements of the borrower and any guarantors, the ability of the borrower to generate cash flow to support its debt obligations and other cash flow needs, the value and adequacy of the collateral for the loan, recent trends and statistics, and other relevant information.
- Review annually and provide recommendations to the Board regarding the overall strategic plans and initiatives for the Corporation's lending operations, and monitor the implementation of such plans including, markets served and marketing activities.
- Recommend lending policies and procedures to the Board of Directors, and monitor the implementation of such policies.
- Receive monthly reports regarding collections and delinquencies.
- Receive periodic reports regarding other significant issues within the lending operations regarding matters such as, but not limited to, compliance, staffing or other operational issues.
- Provide recommendations to the Board based upon the Committee's activities.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Charter and request board approval for proposed changes.
- Review and recommend changes to the Corporation's lending fee schedules.

Composition of Committee and Selection of Members

The Loan Committee shall consist of not less than three independent members of the board of Directors, who shall constitute a majority on the committee. If the board has less than three independent members, non-independent members may be appointed to the committee provided that the independent members constitute a majority of the committee. The Corporation's board shall appoint the Loan Committee members. Members shall serve on the committee at the

discretion of the board. Members appointed to the committee shall have the background necessary to perform its duties.

Meetings

The Loan Committee shall meet at least monthly, unless the Chair deems a meeting unnecessary. Members of the Loan committee are expected to attend each committee meeting,. The Loan committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present shall constitute a quorum.

Meeting agendas shall be prepared prior to every meeting and provided to Loan committee members along with briefing materials five (5) business days before the scheduled Loan committee meeting. The Loan committee may act only on the affirmative vote of a majority of the members present or by unanimous consent. Minutes of these meetings shall be recorded.

A report of the committee's meeting shall be prepared and presented to the board at its next scheduled meeting following the meeting of the committee.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

Reviewed and adopted 1/31/17

Reaffirmed 10/23/18

Trial Balance Report for SBA Loan Fund for the Period 01/01/2019 - 09/30/2019

By Funding Source
(All transactions)

10/02/2019 02 04 PM

LoanID	Borrower	Close Date	Term	Rate	Loan Amount	Principal Balance	Cumulative Pmts ==			Latest Pmts ==			Periods Past Due ==		
							Principal	Interest	Escrow	Amount	Date	ONE	TWO+	THREE+	
Fund: SBA Loan Fund Subfund: SBA RLF-03															
1240-24a	D'Arcy Smith DBA ...	09/28/2017	36 mo	7.000	2,000.00	706.37	504.94	50.81			61.75	09/27/2019			
1240-13a	East Chatham Food...	08/04/2016	60 mo	7.250	20,000.00	11,231.51		67.86			11,299.37	02/11/2019			
1240-16a	EZ Foods of North...	08/31/2016	36 mo	7.250	9,000.00	1,955.52	972.05	146.70			278.75	07/15/2019	278.75		278.75
1240-08a	J.E.M. Woodworkin...	06/01/2015	72 mo	7.500	25,000.00	11,791.09		541.94			9,739.49	08/07/2019			
1240-20a	State 11 Distille...	02/24/2017	72 mo	7.250	25,000.00	14,534.97	3,940.54	1,210.22			429.23	09/23/2019			
SBA Loan Fund - SBA RLF-03: 5 loans															
Fund: SBA Loan Fund Subfund: SBA RLF-04															
1245-22a	A Green Beauty	10/18/2017	36 mo	7.250	5,000.00	1,941.36	1,976.76	172.84			154.96	09/16/2019			
1245-21a	Brown's Car Sales...	09/08/2017	60 mo	7.000	12,500.00	8,017.23	1,943.58	531.70			247.51	09/17/2019			
1245-05a	Dyson, Inc.	07/30/2013	72 mo	6.000	20,500.00	2,658.12	68.70				339.74	08/12/2019			
1245-23a	Hudson-Athens Reti...	09/13/2017	72 mo	6.000	25,000.00	17,270.50	3,234.46	908.74			414.32	09/30/2019			
1245-24a	Hudson Clothier	05/17/2018	72 mo	6.500	25,000.00	20,561.63	2,411.83	950.17			420.25	08/26/2019			
1245-18a	Nick Jennings LLC	04/13/2017	60 mo	7.000	5,000.00	2,800.10	722.85	168.24			99.01	09/13/2019			
1245-11a	Parr Inabar Corp	04/23/2013	72 mo	7.000	15,000.00	969.42	14.00				216.20	04/23/2019			
1245-12a	Romybrook Farm D...	02/06/2014	72 mo	7.500	25,000.00	2,121.55	3,655.73	234.52			432.25	09/11/2019			
SBA Loan Fund - SBA RLF-04: 8 loans															
Fund: SBA Loan Fund Subfund: SBA RLF-05															
1250-25a	ACW Millwork & Ca...	06/20/2018	72 mo	7.000	25,000.00	20,595.89	2,697.00	1,139.07			426.23	09/18/2019			
1250-01a	Basilica Industr...	04/13/2016	60 mo	7.000	35,000.00	12,430.16	5,425.30	812.06			693.04	09/16/2019			
1250-02a	Black Forest Flam...	05/27/2014	60 mo	7.500	23,000.00	2,261.96	42.60				461.08	05/27/2019			
1250-26a	German town Laundr...	09/14/2018	72 mo	7.000	25,000.00	21,823.18	2,330.47	1,080.01			426.31	08/12/2019			
1250-27a	G.G. & G. Flower ...	10/10/2018	60 mo	7.000	15,000.00	12,015.33	2,564.41	702.81			891.06	09/16/2019			
1250-05a	Jim's Small Engin...	04/08/2015	60 mo	7.750	10,000.00	2,508.36	1,613.15	241.30			211.65	09/30/2019			
1250-24a	Oak Pizzeria Napo...	05/11/2016	60 mo	7.250	25,000.00	8,902.94	3,889.72	592.10			497.98	09/16/2019			
1250-07a	Olde Hudson, LLC	12/02/2015	72 mo	7.750	35,000.00	15,042.05	4,476.75	1,007.85			609.40	09/16/2019			
1250-50	Saison New York, ...	06/25/2019	48 mo	6.500	20,000.00	18,891.05	1,108.95	315.48			474.81	09/23/2019			
1250-10a	Talbot, Ardling &...	03/30/2016	72 mo	7.250	25,000.00	11,767.02	3,103.45	756.11			428.84	09/12/2019			
1250-12a	Verdigris Tea, LLC	09/09/2015	72 mo	7.750	30,000.00	11,565.50	3,914.10	786.96			522.34	09/10/2019			
SBA Loan Fund - SBA RLF-05: 11 loans															
Fund: SBA Loan Fund Subfund: SBA RLF-06															
1250-17a	2 Dukes & a Princess	03/28/2018	72 mo	7.000	25,000.00	19,953.01	2,463.73	946.11			426.23	08/29/2019			
1250-35a	AbraxasTacos LLC	05/09/2019	60 mo	7.250	12,500.00	11,576.97	923.03	327.62			250.13	09/23/2019			

Trial Balance Report for SBA Loan Fund for the Period 01/01/2019 - 09/30/2019
 By Funding Source
 (All transactions)

10/02/2019 02:04 PM

LoanID	Borrower	Close Date	Term	Rate	Loan Amount	Principal Balance	=== Cumulative Pmts ===			=== Latest Pmts ===			=== Periods Past Due ===			
							Principal	Interest	Escrow	Amount	Date	ONE	ONE+	TWO+	THREE+	F
1250-36a	Albert Schultze, d...	05/23/2019	60 mo	7.250	17,000.00	16,359.83	640.17	377.52		339.23	09/13/2019					
1250-19a	Alula Woodworks	05/24/2018	60 mo	6.500	13,350.00	10,187.01	1,817.24	534.85		261.21	09/24/2019					
1250-19a	Behida Dolic	04/23/2018	60 mo	6.500	15,000.00	11,462.67	1,806.86	541.06		293.56	08/26/2019					
1250-16a	Fahari Bazaar	02/07/2018	48 mo	7.000	15,000.00	9,624.46	2,585.49	652.96		720.00	09/09/2019					
1250-37a	Germentown Beer F...	06/07/2019	72 mo	7.000	30,000.00	28,116.76	883.24	658.22		513.82	09/30/2019					
1250-28a	Karyn Quilts	11/27/2018	48 mo	7.000	12,000.00	9,768.55	2,014.10	572.05		287.35	09/17/2019					
1250-30	Minna Goods, LLC	02/15/2019	72 mo	7.250	25,000.00	22,987.22	2,012.78	991.83		429.23	09/17/2019					
1250-15a	Primitive Twig	02/08/2018	36 mo	7.000	9,277.61	4,353.77	2,400.07	299.93		300.00	09/10/2019					
1250-29a	Serenity Wellness...	12/13/2018	36 mo	7.000	4,500.00	3,604.28	895.72	252.18		420.00	09/13/2019	124.75				
1250-13a	SUH6 Enterprises,...	10/13/2017	72 mo	7.000	25,000.00	18,119.67	2,802.40	1,033.67		426.23	09/17/2019					
1250-32a	Train Time Express...	04/19/2019	72 mo	7.250	22,500.00	21,532.29	967.71	581.21		387.23	08/29/2019					
1250-20a	Wandering Fool, LLC	06/28/2018	72 mo	7.000	25,000.00	20,613.14	2,679.75	1,156.32		426.23	09/10/2019					
1250-31a	Willia's Bakery Ca...	04/17/2019	72 mo	7.000	30,000.00	28,355.49	1,644.51	912.84		511.47	09/26/2019	124.75				
SBA Loan Fund - SBA RLF-06:15 loans						281,127.61	237,615.12	26,536.80	9,838.37	5,991.92						
SBA Loan Fund: 39 loans						763,127.61	443,065.83	105,334.94	22,381.16	35,767.49	403.50	278.75				
Report total: 39 loans						763,127.61	443,065.83	105,334.94	22,381.16	35,767.49	403.50	278.75				

Trial Balance Report for CEDC Loan Fund for the Period 01/01/2019 - 09/30/2019
By Funding Source
(All transactions)

10/02/2019 01:59 PM

LoanID	Borrower	Close Date	Term	Rate	Loan Amount	Principal Balance	==== Cumulative Pmts ====			==== Latest Pmts ====			==== Periods Past Due ==			
							Principal	Interest	Escrow	Amount	Date	ONE	ONE+	TWO+	THREE+	F
1220-44	2 Dukas & a Princess	03/28/2018	72 mo	5.000	25,000.00	19,725.08	2,543.63	677.33			402.62	08/29/2019				
1220-41	41 Cross Street H...	12/13/2017	84 mo	5.000	75,000.00	71,994.25	3,005.75	2,796.91			1,060.04	09/30/2019				
1220-60	AbrexasTacos LLC	05/09/2019	60 mo	7.250	12,500.00	11,565.14	934.86	315.79			250.13	09/18/2019				
1220-45	ACW Millwork & Ca...	06/20/2018	84 mo	5.000	50,000.00	42,280.42	4,697.94	1,662.24			706.70	09/18/2019				
1220-47	Aluia Woodworks	05/24/2018	60 mo	6.500	13,350.00	10,174.19	1,829.65	522.03			261.21	09/24/2019				
1220-40	Brown's Car Sales..	09/08/2017	60 mo	6.000	12,500.00	7,944.62	1,963.97	452.63			241.66	09/17/2019				
1220-06	Dyson, Inc.	09/02/2013	72 mo	3.000	32,045.12		3,851.83	43.21			486.88	08/14/2019				
1220-33	East Chatham Food...	08/04/2016	60 mo	7.250	15,000.00		8,423.71	50.90			8,474.61	02/08/2019				
1220-66	Germantown Beer F...	06/07/2019	72 mo	5.000	30,000.00	29,015.36	984.64	489.58			484.74	09/30/2019				
1220-47b	Germantown Laundr...	09/14/2018	72 mo	5.000	25,000.00	21,639.14	2,461.58	759.86			402.68	08/12/2019				
1220-49	G.G. & G. Flower ...	10/10/2018	60 mo	5.000	15,000.00	12,512.89	2,045.05	502.58			283.07	09/17/2019				
1220-50	Hudson-Athens Ret...	09/13/2017	72 mo	5.000	25,000.00	17,116.03	3,274.22	753.98			402.62	09/30/2019				
1220-09	Hudson Cruises, Inc.	06/15/2014	240 mo	7.000	50,000.00	42,717.72	1,210.58	2,278.27			387.65	09/16/2019				
1220-10	J.E.M. Woodworkin...	06/01/2015	72 mo	6.500	32,066.98		14,888.83	656.85			12,311.44	08/07/2019				
1220-37	Les Collines	03/21/2018	60 mo	6.000	14,222.33	10,698.97	1,651.59	548.09			274.96	09/17/2019				
1220-13	Mario's Home Center	10/01/2009	120 mo	2.250	100,000.00	900.24	7,404.55	71.41			931.37	09/12/2019				
1220-51	Mimma Goods, LLC	02/15/2019	72 mo	5.000	45,000.00	41,170.54	3,829.46	1,243.58			724.72	09/17/2019				
1220-54	Miracle Springs F...	05/01/2019	84 mo	5.000	100,000.00	100,000.00		1,666.68			416.67	09/11/2019				
1220-36	Nick Jennings LLC	04/13/2017	60 mo	6.000	10,000.00	5,505.86	1,473.22	266.75			193.33	09/13/2019				
1220-16	Olde Hudson, LLC	12/02/2015	72 mo	7.750	40,000.00	17,190.93	5,116.15	1,151.99			696.45	09/16/2019				
1220-48	Old Klaverack Bre...	08/15/2018	60 mo	7.250	15,132.44	12,218.36	1,949.51	644.09			324.20	09/11/2019				
1220-19	Parr Inabar Corp	04/23/2013	72 mo	7.000	35,000.00		2,302.06	33.86			545.76	04/25/2019				
1220-18	Paul Calcagno, Jr...	12/15/2014	42 mo	7.000	60,000.00	3,741.82	9,348.02	508.14			1,257.02	09/03/2019	1,232.02	1,232.02	45.76	45.76
1220-21	Phoenix Services ...	05/01/2015	180 mo	5.000	128,698.92	92,567.45	10,489.20	3,670.46			1,017.74	09/16/2019				
1220-22	Ronnybrook Farm D...	02/06/2014	72 mo	7.500	25,000.00	2,144.20	3,633.08	257.17			432.25	09/11/2019				
1220-35	State 11 Distille...	02/24/2017	72 mo	5.250	25,000.00	14,128.37	4,048.03	818.33			405.53	09/23/2019				
1220-43	SUH6 Enterprises...	10/13/2017	72 mo	5.000	25,000.00	17,782.66	2,923.93	700.45			402.82	09/16/2019				
1220-12	The Pond Restaurant	10/13/2017	120 mo	5.000	100,000.00	92,700.48	2,504.33	2,745.67			750.00	07/31/2019				
1220-53	Train Time Express...	04/19/2019	72 mo	7.250	22,500.00	21,532.29	967.71	581.21			387.23	08/29/2019				
1220-46	Wandering Fool, LLC	06/28/2018	72 mo	5.000	25,000.00	20,367.62	2,822.90	800.68			402.62	09/11/2019				
1220-52	Willia's Bakery Ca...	04/17/2019	72 mo	5.000	30,000.00	28,235.04	1,764.96	650.79			483.15	09/26/2019				
CEDC Loan Fund - CEDC-01: 31 loans							1,213,015.79	767,569.69	114,344.94	28,301.51	35,801.88		1,506.98	1,232.02	45.76	45.76
CEDC Loan Fund: 31 loans							1,213,015.79	767,569.69	114,344.94	28,301.51	35,801.88		1,506.98	1,232.02	45.76	45.76
Report total: 31 loans							1,213,015.79	767,569.69	114,344.94	28,301.51	35,801.88		1,506.98	1,232.02	45.76	45.76



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MEMORANDUM

TO: CEDC Loan Committee

FROM: Martha E. Lane, Business Development Specialist

RE: Loan Request The Pond Restaurant

DATE: September 13, 2019

Applicant: Rob and Paige Castellano
The Pond Restaurant
711 County Route 3
Ancramdale, NY 12502

Amount: \$30,000 CEDC Loan
\$30,000 SBA Microloan

Purpose: Equipment purchases; working capital

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

Term: CEDC: 72 level monthly payments, fully amortized, of \$483.15
SBA: 72 level monthly payments, fully amortized, of \$511.47

Collateral: Equipment purchased with the loan proceeds; personal guaranty of the principals

Jobs: Project is expected to create 1 FTE job and retain 4 PT jobs



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Columbia Economic Development Corporation

MEMORANDUM

TO: CEDC Loan Committee

FROM: Martha E. Lane, Business Development Specialist

RE: Loan Request

DATE: October 16, 2019

Applicant: J.E.M. Woodworking & Cabinets, Inc.
250 Falls Road
Hudson, NY 12534

Amount: \$100,000: \$35,000 SBA Microloan and \$65,000 CEDC Loan

Purpose: Working Capital

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

Repayment Terms: SBA loan: 72 level monthly payments, fully amortized, of \$596.72
CEDC loan: 84 level monthly payments, fully amortized, of \$918.70

Security: Second position on cash, accounts receivables, all non-equipment assets; personal guaranty of principle(s)