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Columbia Economic Development Corporation

Meeting Minutes
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
LOAN COMMITTEE
Wednesday, August 19, 2020
One Hudson City Centre, Suite 301
Hudson, New York

A regularly scheduled meeting of Columbia Economic Development Corporation’s (CEDC) Loan Committee meeting was held via conference call due to the COVID-19 outbreak, on August 19, 2020. Mr. Lee, Acting-Chairman, called the meeting to order at 9:48am.

Attendee Name	Title	Status	Departed
David Fingar	Committee Member	Excused	
John Lee	Committee Member	Present via phone	
Kenneth Leggett	Committee Member	Excused	
Seth Rapport	Committee Member	Present via phone	
Sarah Sterling	Committee Member	Present via phone	
Brian Stickle	Committee Member/Alternate	Present via phone	10:05am
F. Michael Tucker	President/CEO	Present via phone	
Andy Howard	CEDC Attorney	Present via phone	
Martha Lane	Business Development Specialist	Present via phone	
Erin McNary	Bookkeeper	Present via phone	
Edward Stiffler	Economic Developer	Present via phone	
Carol Wilber	Marketing Director	Present via phone	
Lisa Draushuk	Administrative Supervisor	Present via phone	

Minutes:

Mr. Lee asked if there were any changes to the minutes of July 22, 2020 or July 28, 2020. *With no changes, Ms. Sterling made a motion, seconded by Mr. Rapport to approve the minutes from July 22, 2020. Carried. Ms. Sterling made a motion, seconded by Mr. Rapport to approve the minutes from July 28, 2020. Carried.*

Interest Rate Adjustment:

Ms. Lane asked the Committee if they would consider offering a reduction in their interest rate to 3.75% to select current clients. The Committee discussed and agreed that it would be a gesture of good will. Mr. Tucker stated he would take it under advisement and would get back to the Committee.

Loan Deferral Status Update:

Ms. Lane stated all loans are currently in deferral. She stated the SBA was paying as agreed. She noted several CEDC loans continued to pay throughout the deferral period in order to maintain the original term.

Portfolio Review:

Ms. Lane noted the portfolio was unchanged except that Old Klaverack had made a payment bringing them current. *Mr. Stickle made a motion, seconded by Ms. Sterling to approve the report as presented. Carried.*



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Countryside Cleanup Loan Request:

Ms. Lane stated the request was for \$45,000, \$22,500 from the SBA and \$22,500 from CEDC. She stated the funds would be used to purchase a truck and trailer for the business. The loans would each have an interest rate of 3.75% with a term of 6 years. She noted if the SBA loan closed on or before September 18th the first six months would be paid by the SBA. The CEDC loan would be deferred for six months, extending the term by six months. Collateral would consist of the truck and the trailer as well as the principal's personal guarantee. Ms. Lane informed the Committee the principal was currently uninsured and was actively seeking new coverage. *Mr. Stickles made the motion, seconded by Mr. Rapport to recommend the loan to the full board, as presented, contingent upon the obtaining adequate insurance coverage. Carried.*

Mr. Stickles left the meeting citing a conflict of interest with the remaining two loans as they were Bank of Greene County clients.

Talbott and Arding:

Ms. Lane noted the loan request was for \$58,500, \$33,500 SBA loan and a \$25,000 CEDC loan. \$8,500 of the loan proceeds would be used to pay off the existing SBA loan. The loan funds would be used for working capital. Collateral would consist of a lien on all assets of the business including furniture and fixtures, equipment, inventory, accounts receivable and personal guarantees of the principals. The interest rate would be 3.75%. She noted the loan terms would be 6 years with the SBA making 6 months of payments if the loan closed on or prior to September 18th. CEDC would offer a deferment of 6 months, thereby extending the term an additional 6 months. Mr. Rapport asked that on the loan risk assessment, this loan be ranked as a high risk loan. *Mr. Rapport made a motion, seconded by Ms. Sterling to recommend the loan as presented to the full board. Carried.*

Old Klaverack Brewery & Hop Farm, LLC

Ms. Lane stated the loan request was for \$75,000, \$25,000 SBA loan and a \$50,000 CEDC loan. \$11,000 would be used to pay off the existing CEDC loan. The funds would be used to purchase fixtures, materials and supplies for the brewery as well as working capital. The interest rate would be 3.75%, with a term of 6 years. The SBA would pay six months of the SBA loan payments, if the loan closed before or on September 18th. The CEDC loan payments would be deferred for six months, extending the term an additional 6 months. The collateral is a first lien on all business assets as well as a personal guarantee from the principle and the equity investor. *Mr. Rapport made motion, seconded by Ms. Sterling to recommend the loan to the full board as presented. Carried.*

Other Business:

Ms. Lane stated she was sitting on the advisory committee of the Albany County Business Development Corporation, who was administering a loan fund. She outlined stated they had \$8 million to loan, would approve loans of \$25,000 to \$500,000, with a term of 2 – 10 years, interest rate of 1.5%, a six month deferment, no application fee and no or low closing costs. She noted those parameters have not yet been approved. She noted the loans would be available to businesses in the Capital District, including Columbia and Greene Counties.

Mr. Tucker stated no further discussions had taken place with the City of Hudson regarding the Galvan loan fund. He stated there would be a great deal of money available. He was concerned there would be more



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money available then there would be demand. He stated a balance needed to be maintained in order to balance the risk and continue lending with the amount of money available. Ms. Lane suggested CEDC could provide technical assistance to the borrowers.

Ms. Lane stated she has three to four loans that will need to go before the Loan Committee but not the full CEDC Board. She asked if the Committee could meet and review the loans on Thursday, September 3rd at 8:30am. The Committee agreed.

With no further business, Mr. Rapport made a motion, seconded by Ms. Sterling to adjourn the meeting. Carried. The meeting adjourned at 10:39am.

Respectfully submitted by Lisa Drahushuk