

Washington County Local Development Corporation  
Loan Review Committee - Meeting Minutes  
**Tuesday, February 16, 2021 – 10:00 a.m.**  
Meeting held via zoom – recording available

**Board Members Present:** Dave O'Brien, Mark Mahoney, Dave Higby, John Rozell and Sam Hall

**Others Present:** Alexis Groesbeck (via zoom)

**Staff Present:** Deanna Derway – WCLDC President

**I. Call to Order**

The meeting was called to order at 10:01 AM.

**II. Approval of Meeting Minutes**

After reviewing the minutes from the January meeting, Sam Hall made the motion to approve. John Rozell seconded, and it was approved unanimously.

**III. Old Business** – After last month's meeting where we approved a building and loan agreement for Bardin's LLC, Deanna reached out and provided details on the offer which, Mr. Bardin has indicated that he will accept. From here, Deanna will work with the LDC attorney to make sure that all of the details are outlined in the terms sheet and that Mr. Bardin understands the extent of such an agreement. We will also request the information required to put together the agreement and continue to update the Committee on the progress monthly.

**IV. New Business**

**A. Loan List Update/COVID Updates**

Next, The Committee reviewed the current loan list update. Deanna gave the following updates: Roundhouse Bakery finally has an offer from Hubbard Hall regarding the equipment which we will be reviewing for approval later in this meeting under Miscellaneous as the proposal came through days before this meeting. Starky's Grill submitted a payment plan outlining that they would like to resume making monthly payments in March plus an additional \$200 monthly until they are caught up. They applied for PPP funding which he does expect to be approved for at some point and when he does, he plans to use a portion of this funding to bring the loan current. He also asked that the late fees accrued on the account be forgiven to give him a better chance of getting caught up. Deanna explained that this makes sense as otherwise, his payments will be going to the fees and not towards bringing the account current. With the COVID flexibilities that we have been given and the health difficulties that he has been experiencing, the Committee agreed that they will forgive the late fees but, with the stipulation that this happens once he makes the first payment outlined in his payment plan. Dave O'Brien made this motion to approve the plan and forgiveness of late fees with the above stated stipulation. Mark Mahoney seconded, and it was approved unanimously. Bonnie & Clyde's responded to the delinquency notice and have stated they will be making double payments on both accounts today. Deanna requested that each time they make a payment, they send a copy of the deposit slips as proof as they have not followed through a number of times in the past. The Committee discussed and decided that they will give them the opportunity to do as they stated but, highlighted that if they do not follow through this time, the default interest rate of 16% will be instituted on both accounts. As stated last month, we understand that we are still in this pandemic crisis and we are willing to work with businesses who are struggling due to COVID but, they have to keep the lines of communication open and let us know what they need in order to get through and succeed during this time. Deanna will remain on top of this situation and will update the Committee again next month.

**B. Discuss Loan Approval for – Adirondack Dogs, LLC**

Next, the Committee reviewed an application for Adirondack Dogs, LLC (currently ADK Grooming) in the amount of \$96,000. She is looking to expand her business and business offerings by purchasing the property located at 2058 State Route 196 in Hudson Falls (former Adamsville bottle redemption center). The money would be to purchase the property and complete the needs renovations to retrofit it for what she needs. She is currently operating out of a leased space in Hudson Falls village but, feels that she will be able to capture more clients by being on Route 196 which is a heavily trafficked area. The committee asked Alexis what services she would be adding at the new space to which she answered that she will be adding daycare services to go along with the grooming services already offered. She discussed the fact that the renovations needed at the property include adding fences/gates, cosmetic repairs and creating the different spaces needed within the building. One concern was the neighbors that are nearby but, Alexis provided the

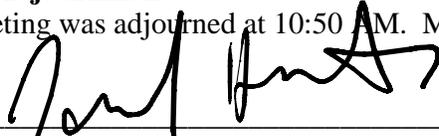
letter that was sent to the neighbors letting them know about the business. The value of the building was a concern of the Committee but, if approved, Deanna reminded the Committee that a requirement in order to close would be to get an appraisal showing that the value of the property backs up the amount of the loan requested. The Committee discussed the loan further and Sam Hall made a motion to approve the loan as requested at 5% interest rate. Mark Mahoney seconded, and it was approved unanimously.

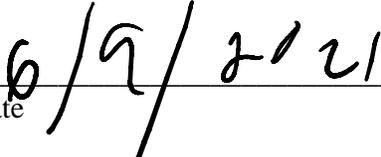
### C. Miscellaneous

- a. Roundhouse Bakery LLC request: As we have been discussing for months now, Roundhouse and Hubbard Hall have finally come to an agreement about the pieces of equipment to be purchased. They submitted a proposal that the Committee was provided asking us to release the lien on the specific pieces of equipment listed in exchange for a payment directly to the LDC for \$18,145. After a lengthy discussion, Deanna explained that this will involve multiple votes in order to complete. The voting took place as follows and Dave Higby recused himself from all votes relating to Roundhouse as he has a personal connection):
- First, Mark Mahoney made a motion to release the lien and approve the sale of the listed equipment to Hubbard Hall. John Rozell seconded, and it was approved with 4 ayes and 1 abstention (Dave Higby).
  - Next, the Committee looked at how the funds will be applied and accounts re-amortized as they have 2 loan accounts with the LDC and both carry late fees. Deanna explained that the proposed way to apply these funds would be to pay off the entire Principal and Interest balance of the smaller loan and forgive the late fees on the smaller account; then apply the remaining balance to the principal on the remaining account. We would then re-amortize the remaining balance of that loan including the back interest owed and they would continue to pay this new balance back. The Committee was comfortable with that and moved on to discussing the length of term for the amount that will be re-amortized which would either be 5- or 7-year term. After a lengthy discussion (and looking at the advice Deanna provided from the LDC attorney), Mark Mahoney made a motion to approve the above outlined application of funds and a 7-year term for the remaining balance to be re-amortized. Sam Hall seconded, and it was approved with 4 ayes and 1 abstention (Dave Higby).
  - Lastly, Deanna discussed the fact that we need to determine what to do with the late fees on the larger account and whether we forgive these or roll them into the re-amortized balance. The Committee discussed the fact that we are already compromised in forgiving the fees on the smaller account. Therefore, Mark Mahoney made a motion that we roll the late fees for the larger account into the re-amortization. John Rozell seconded, and it was approved with 4 ayes and 1 abstention (Dave Higby).
- b. Lastly, Deanna let the Committee know that the State Comptrollers Audit is in the editing phase but, that does not mean that they are done with us as we thought. Deanna is still spending hours per week between phone calls with them and locating and sending documentation that they are requesting. Our regular Annual Audit also began at the beginning of January and therefore, Deanna is dealing with both Audits in addition to the State reporting for both the WCLDC and BLDC for PAAA. Deanna does not know if the timeline for the Comptroller Audit is still for the official report to be out in June or not but, Deanna will continue to update the Committee on the progress. In March, Deanna will have the year end reports for us to review.

### V. Adjournment

The meeting was adjourned at 10:50 AM. Motion made by Dave O'Brien, seconded by Dave Higby approved by all.

  
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Jared Humiston, Chairman

  
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Date

*Respectfully submitted by, Deanna Derway, Executive Director*