

Washington County Local Development Corporation
Loan Review Committee
Wednesday, February 15, 2017
10:00 a.m.
Meeting Minutes

Present: Dave O'Brien, Rich Norman, Jared Humiston, Cassie Fedler (entered 10:10), Brian Campbell and Jay Niles

Others Present: Deanna Derway, WCLDC President

Chairman Norman called the meeting to order at 10:02 a.m.

The Committee reviewed the minutes from the January meeting. Jay Niles made the motion to approve and Brian Campbell seconded. It was approved unanimously.

Next, The Committee reviewed the current loan list update. Darlene from Renaissance met with Deanna and will continue to make a payment each month toward getting caught up on her past due balance in order to remain in good standing with her loan terms; if no payment is made in a month without notice, the loan will be classified as defaulted. Deanna will stay in touch with Darlene and keep the Committee updated on the progress of this account.

Next, the Committee continued to review the loan application proposal for Bonnie & Clyde's Gourmet on the Run who are asking for \$80,000 to start a new gourmet delivery restaurant in Hudson Falls. Claude and Chelsea were present representing the project. Since the last meeting, the applicants spent many hours working with SCORE in order to get their financial projections corrected and re-submitted this updated document as the Committee requested.

The Committee appreciated that the applicants did what we asked of them but, still have concerns about the amount of collateral to back up the loan. Therefore, the Committee once again asked that the applicants go back and see if there is additional collateral to pledge to the project so that the LDC is comfortable that the loan amount is fully backed with collateral. Deanna will let the applicants know what the Committee is looking for and if they are able to come up with the additional collateral, she will schedule a continuation of this meeting for next week in order to make a final decision.

Next, the Committee reviewed an application proposal for Stumpy's Pizzeria who is asking for \$124,625 in order to purchase a pizza shop in Fort Edward. Amy was in attendance representing the project. The Committee discussed the applicants' background in the food service business and how she wound up at this decision to start her own business. They also discussed the equipment that comes with the property, some of which needs upgrading. Next, the Committee discussed the proposed collateral with the applicant and asked if there is anything additional that she could offer (life insurance, stocks, etc.) in addition to the building and equipment in order to back up the amount requested. Amy stated that she wants to keep this loan in solely her name (not her husband's name) also has some vehicles that she can pledge as collateral and the Committee would like her to go ahead and use any vehicles she has to also secure the loan. Dave O'Brien made a motion to approve and Rich Norman seconded. There were 5 ayes (O'Brien, Campbell, Fedler, Niles, Norman) and 1 nay (Humiston) and the loan was approved. Deanna will work on gathering the additional information needed to prepare the loan documentation.

Deanna then updated the Committee on Locust Grove who received a \$150,000 loan from the LDC on 6/30/16 (in addition to the same amount from Lake Champlain/Lake George Regional Planning Board). The owners said that between not receiving a grant they were expecting and some underestimated quotes on the project, that they are short a significant amount and would like some guidance on how to get the additional funding needed. The Committee would like Deanna to reach out to LC/LG RPB and Farm Credit East in order to discuss some options for how to best help this business finish the stalled project. She will gather information on this and present the findings and the status of where this situation is at.

The meeting was adjourned at 11:17 a.m. Motion made by Jared Humiston, seconded by Jay Niles and approved by all.

DD

Rich Norman, Chairman