

Washington County Local Development Corporation  
Loan Review Committee  
Tuesday, May 12, 2015  
9:00 a.m. - LDC Conference room

Present: Seth Pitts, Dave O'Brien, Jay Niles, Rich Norman, Jim Lindsay and Barry Miller  
Others Present: Deanna Derway, WCLDC President, Denver Grover and Stephen Topper

Jim Lindsay called the meeting to order at 8:55 a.m.

The Committee reviewed the minutes from the April meeting. Seth Pitts made the motion to approve and Barry Miller seconded. There was no further discussion and it was approved unanimously.

Next, The Committee reviewed the current loan list update and discussed the current status of each. Deanna informed the Committee that Esther Davis' (dba/Abuelos Restaurant) is on track with her lowered monthly payments. The Committee then discussed the status of Scott & Stacy Ray (dba/Skenesborough Gardens) who have submitted a proposed payment plan in order to catch up on and payoff their loan balance by the end of May. The plan proposes three payments of \$1,909.37 on May 12<sup>th</sup>, May 22<sup>nd</sup> and May 29<sup>th</sup>, any remaining fees after that will be addressed after the three payments are made. The Committee discussed the loan balance (just over \$5,000) and the fact that Scott and Stacy remain in contact with Deanna and decided to accept the payment plan with a motion by Jay Niles, seconded by Dave O'Brien and approved unanimously.

Next, the Committee reviewed a loan application for the Kingsbury General Store that is requesting \$346,100 in order to purchase the land/building, purchase equipment, complete some renovations and provide the applicants with some working capital. The Committee discussed this application at length and expressed the following concerns in relation to the project: Some of the members familiar with the property asked about the structure of the building and how much work it needed. The applicants plan to have an inspection completed if approved as part of the pre requisite of closing on the loan but, some of the members were hoping to have information on the status of the building before approval as it has deteriorated over the years and they want to be sure that the major aspects of the building such as septic system, heating etc. do not need any major upgrades. The Committee also expressed some concerns in regards to the Use Variance that would be needed for this property in order to achieve the goals of the applicants. Collateral was also a concern, as the Washington County Real Property IMO has the total assessed value of the property as \$150,000 which would not cover the LDC investment on its own. The Committee sees the value in this project and commended the applicants for a well put together application but, still have some concerns about protecting the LDC investment. Rich Norman made a motion to have Deanna send the application package out for a professional review and loan analysis to evaluate the risks. Jay Niles seconded. Jim Lindsay and Seth Pitts both voted in favor with Barry Miller and Dave O'Brien voting against the motion which was approved 4-2. Deanna will send this out and we will hold a special Loan Review towards the end of the May to make a final decision on this application.

Next, the Committee discussed the fact that the WCLDC has been receiving loan applications requesting much larger amounts than we generally see. Some of the Committee members feel that these larger requests need additional review and analysis to assess the risk factors. After much discussion about this thought, Dave O'Brien made the following motion: the WCLDC Loan Review Committee has the right to decide, based on their discretion,

to send loan applications requesting more than \$150,000 in funding out for risk analysis and that the associated fees are paid by the applicant. Jay Niles seconded this motion and it was approved unanimously.

The meeting was adjourned at 10:35 a.m. Motion made by Rich Norman, seconded by Dave O'Brien and approved by all.

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Seth Pitts, Chairman

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Date