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Beth Gilles, Director  
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## REVOLVING LOAN FUND LOAN ADMINISTRATIVE COMMITTEE

### Regular Meeting

October 8, 2021 10:00 am

LCLGRP B Offices and Zoom

#### AGENDA

1. Welcome
  2. Approval of September 1, 2021 minutes
  3. Loan Application
    - Baldwin Mountain, LLC
  4. Defederalized RLF Management Plan
  5. Loan Balance report
  6. Adjourn
- 

Ms. Gilles welcomed everyone to the loan committee meeting on October 8, 2021 at 10:02am and took roll call.

#### MEMBERS PRESENT

Christy Wilt  
Carol Calabrese  
Marc Monahan  
Chad Richards  
Paul Hamilton  
Harry Booth

#### MEMBERS ABSENT

Chris Hay

#### ALSO PRESENT

Beth Gilles, LCLGRP B  
Carrie Yakush, LCLGRP B

#### APPROVAL OF SEPTEMBER 1, 2021 MINUTES

Ms. Gilles asked the committee if there were any changes to be made to the September 1<sup>st</sup> meeting minutes.





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Hearing no changes, Ms. Gilles asked for a motion to approve the minutes.  
Mr. Richards made a motion.  
Mr. Hamilton seconded.  
Hearing no opposed, motion carried.

#### LOAN APPLICATION

- Baldwin Mountain, LLC

Ms. Gilles reviewed Baldwin Mountain's loan package that was emailed to the committee. The business is located on 24 acres of land on the corner of Routes 149 and 9L in the Town of Queensbury, Warren County. Dale Baldwin, of Baldwin Concrete, constructed two buildings and has self-financed the project to this point. One building will be a car hop diner and the other will be a farm to market store. He needs another \$650,000 to complete the project. He has applied to Glens Falls National Bank (GFNB) for \$500,000, which has not been approved yet, but the Committee can approve this loan with a condition that GFNB approves the \$500,000 request. Dale Baldwin is asking us for \$150,000; \$75,000 for equipment for both locations and \$75,000 for working capital for the two businesses. Dale is asking for a 15-year term, although we usually don't offer longer than a 10-year term on working capital and equipment. However, the committee can decide to modify terms. The loan would be to the real estate holding company. Our collateral would be a second mortgage behind Glens Falls National. The bank has ordered an appraisal, which isn't complete yet, but the property worth is estimated at \$2,000,000. There will be personal guarantee from Dale Baldwin.

Ms. Gilles welcomed Dale Baldwin into the meeting and asked him to give the Committee a brief overview of his plans.

Mr. Baldwin said both buildings are up. The outside is done on the farmers market store. He said the car hop is up and a lot of the inside finish work is done. He stated he is looking for the loan from GFNB to complete construction and from the RPB for equipment and working capital.

Mr. Hamilton commented on the thorough business plan Dale submitted. Mr. Hamilton asked if anyone on his staff or anyone he knows has any experience with managing food or restaurants because it is a different skill set than what people expect.

Dale Baldwin said he has had his own business for 40 years. His daughter is going to be working with him, and she's been a manager of a couple different places. His parents owned a miniature golf course and ice cream place two miles away from where he is building. His best friend was in the restaurant business. He had over 2000 employees, he owned 27 Wendy's, and has given a lot of advice.

Mr. Richards asked when Dale anticipates being able to open. Dale said he is hoping for spring or early summer. The plan is to finish all the inside work this winter and, in the spring, to do the outside work.

Mr. Richards said the location is excellent.





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Ms. Gilles mentioned that towards the back of the property the land is cleared to hold car shows. Dale Baldwin said the town said he can hold car shows every couple of weeks.

With no further questions from the committee, Ms. Gilles excused Dale Baldwin from the meeting and said she would call him with the decision from the committee.

Mr. Richards commented on how well collateralized the loan is and feels that the value of the land will be worth over \$2 million. Mr. Hamilton agrees with Mr. Richards and feels it is a good business plan.

Mr. Monahan stated that as a loan to value perspective if they had to liquidate for any reason, they are in a good position to pay back the loans.

Ms. Gilles asked the committee their thoughts on a 15-year term. Mr. Monahan said with it being a mortgage, he doesn't have a problem with that. He also asked if 15 years is the maximum term we will do. Ms. Gilles replied that 15 years is the maximum term.

She then asked the committee suggestions for the interest rate, between 3.5% and 6%.

Mr. Richards asked if it's fixed for the 15 years or if it's adjustable. Ms. Gilles stated it is fixed.

The committee suggested 5% interest with interest only for 12 months.

Ms. Gilles asked for a motion to modify the loan terms to allow for a 15-year term on a working capital and equipment loan to Baldwin Mountain, LLC.

Mr. Monahan made a motion.

Mr. Hamilton seconded.

Mr. Richards abstained.

Hearing no opposed, motion carried.

Ms. Gilles asked for a motion to approve a \$150,000 loan to Baldwin Mountain, LLC, interest rate at 5% for 15 years, interest only payments for the first 12 months, collateral is a second mortgage on 1447 Ridge Road, corporate guarantees from 1447 Ridge Road, LLC, and 958 State Route 149, LLC, personal guarantee from Dale Baldwin, with the condition that Glens Falls National approves and closes their loan with the first mortgage before the Regional Planning Board closes its loan.

Mr. Monahan made a motion.

Mr. Hamilton seconded.

Mr. Richards abstained.

Hearing no opposed, motion carried.

#### DEFEDERALIZED RLF MANAGEMENT PLAN

Ms. Gilles stated that the EDA approved to defederalize RLF1 and RLF2. An updated RLF management plan was previously emailed to the committee, and she reviewed the changes. Some changes are as follows: a name change from Revolving Loan Fund to Small Business Loan Fund. The new plan would cover our existing counties of Clinton, Essex, Hamilton, Jefferson, Lewis, Warren, and Washington in addition to Franklin County. Another change





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would be to reduce the minimum loan amount to \$10,000 and increase the maximum loan amount to \$200,000. There will no longer be the need for a bank declination letter. Repayment terms will remain at a maximum of 15 years. Deviation of the loan terms is determined on a case-by-case basis. Job creation and retention survey is no longer needed.

Ms. Gilles asked for a motion to approve the amended small business loan fund management plan.

Mr. Richards made a motion.

Mr. Monahan seconded.

Hearing no opposed, motion carried.

#### LOAN BALANCE REPORT

Ms. Gilles reviewed the loan balance spreadsheet that was emailed to the committee. In RLF1, Thomas Barber is getting a little further behind than usual with 20 days late as of the end of 9/30/2021. Washington County Agri-Park, he's only paying enough to cover the interest and not paying down the principal. Burlap & Beams matured, and the collateral was released. In RLF2, Global Fitness matured, and the collateral was released. Schroon Lake Campground paid off. North Country Restaurant is still defaulted. In RLF4 everyone is current except for Adirondack Meat and Cooper Logging. Fort William Henry paid off. George Henry's paid his loan off. In RLF5, everyone is current. In IRP, everyone is current, and Cloverland Farm matured.

Ms. Gilles said that the changes the committee made to the RLF5, COVID-19 program, were approved by the EDA and will be going to the board on Tuesday for approval. Mannix Marketing was hired to market the loan fund to get the \$1.9 million out before June of 2022.

With no further discussion, Ms. Gilles asked for a motion to adjourn.

Mr. Hamilton made a motion.

Mr. Richard seconded.

Meeting adjourned at 10:38am.

*Respectfully submitted by Carrie Yakush, Senior Account Clerk, LCLGRPB.*

