

Lake Champlain – Lake George Regional Planning Board

Executive Committee

March 30, 2020

Directly following LCLGRDC Board Meeting

TELECONFERENCE

(per Executive Order 202.1 as part of the COVID-19 pandemic response)

United States: (312) 757-3121

Access Code: 460-184-373

Attendance

Executive Committee:

Dave O'Brien, Chairman

Christy Wilt, Vice-Chair

Beth Hunt, Secretary

Al Nolette, Treasurer

Staff:

Beth Gilles, Director

Andrea Palmer, Economic Development Coordinator

Agenda

1. Approval of March 19, 2020 minutes
2. Approval of COVID-19 Business Interruption Micro-Loan Program

Chairman O'Brien called the meeting to order at 2:45 pm.

Roll Call:

Dave O'Brien, present

Christy Wilt, present

Al Nolette, present

Beth Hunter, present

Charlie Harrington, absent

Approval of Minutes

Chairman O'Brien asked if there were any changes to the March 19, 2020 minutes. No changes suggested. Motion to approve the minutes by Mr. Nolette, seconded by Ms. Hunt. Motion passed.

Approval of COVID-19 Business Interruption Micro-Loan Program

Ms. Gilles went over the outline of the Program provided to the Board. RPB staff has put together a program to rapidly deploy working capital loans to businesses within our region. Loan amounts are \$5,000 - \$25,000, set at 5% interest, terms based on the loan amount, interest only payments for the first 6 months, RPB will waive application fee and 2% closing costs usually paid to the agency, borrower will have to pay legal fees (we are still working through a process for this to be done remotely), staff would like the loans wrapped up in two weeks, all existing jobs will be counted towards job retention, going to waive bank turn-down letter requirement because of the time necessary for banks to create those letters and instead we will take a concise narrative with backup financials that outlines the impact that COVID-19 has had on the business and do the credit-elsewhere analysis ourselves, still requiring collateral, RPB does not want to give unsecured loans (not looking for mortgages because of the cost and process for mortgages, would prefer liens on equipment).

Ms. Gilles noted that the loans will be given out of our current RLF accounts. Currently, there is no new COVID-19 funding for our RLF. The businesses need assistance right now and we don't want to wait until disaster funds come from EDA, if ever.

We are waiving in person meeting requirements for the borrower to meet with the loan committee. Borrowers will work virtually with Andrea to get their applications together. We are going to try to schedule standing meetings with the loan committee.

We created a new application and streamlined what is required for the application. There is a list of required documents in the loan application.

The Loan Committee has agreed on the terms of this program. Once approved by the Executive Committee, Ms. Gilles will send the Program information to the EDA for their written approval. Ms. Gilles had previously sent draft information to EDA and they said it looks good. One of EDA's requirements for the LCLGRP to temporarily amend the RLF Plan is that it must be for a finite amount of time. Therefore, applications for the Program must be in by September 30, 2020. The Executive Committee agrees.

EDA is allowing the RPB to use money from RLF 4, which was given to RPB after Hurricane Irene and is designated for Hurricane Irene cleanup and business resiliency loans. EDA agrees that this Program is business resilience. There is currently \$258,000 in that account, and Ms. Gilles would like to use \$200,000 from RLF 4 for this Program. The remaining loan funds would come out of RLF 1 and 2. Ms. Gilles noted that Andrea had been working with some borrower's before the COVID-19 outbreak and would like there to still be money in the accounts for the RPB to give the regular loans.

Mr. O'Brien suggested that we might want to be flexible with the terms based on the business's cashflow. We may have to go beyond 5 years for the larger loans. Otherwise, Mr. O'Brien noted he really likes the Program.

Ms. Gilles suggested earmarking \$400,000 for the Program. Mr. Nolette expressed concern and wanted to lower the amount. Ms. Gilles noted that the RPB is looking into NBRC funds to recapitalize the RLF. We are also hoping that EDA will come out with recapitalization. The Executive Committee decided to commit up to \$250,000 with the potential to increase the amount based on the need.

Mr. O'Brien asked for a motion to approve the COVID-19 Business Interruption Micro-Loan Program with a Program funding cap of \$250,000. Motion to approve the program by Mr. Nolette, seconded by Ms. Hunt. Motion passed.

Mr. Nolette thanked Mr. O'Brien, Ms. Gilles and her staff for the hard work they have put into the loan program in the past couple of weeks.

Motion to adjourn by Ms. Hunt, seconded by Mr. Nolette. Meeting adjourned at 3:03 pm.