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## EXECUTIVE COMMITTEE

Special Meeting

April 23, 2021

2:30 pm

Zoom (per Executive Order 202.1, extended by 202.101)

### AGENDA

1. Welcome
2. Loan Application for COVID-19 Small Business Recovery Loan Program
  - Black River Valley Natural, Lewis County
3. Resolution for NBRC Grant – Workforce Housing Assessment and Strategy
4. Other
5. Adjourn

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### TRANSCRIPT

Dave O'Brien: Are you ready? I call this meeting to order. First item of business is loan application for a small business recovery loan program, Black River Valley Natural.

Beth Gilles: I have to do roll call first.

Dave O'Brien: Not here.

Christie Wilt: I'm here.

Beth Hunt:

Al Nolette: At your service.

Joe Giordano: I'm here.

Also present are Carrie Yakush and Beth Gilles of the Regional Planning Board.

Dave O'Brien: I'll take a motion to adjourn.

Beth Gilles: So Black River Valley Natural. They are a distributor in Lewis County. They specialize in working with the local ag community to distribute food to restaurants and specialty grocery stores. When COVID hit and shut down, it hit their operations pretty hard. The Munns, James and Bethany, who are applying for this loan, took over in 2020. Black River Valley Natural is contracted to run the North Star Food Hub. So, they were kind of on this trajectory of growth, COVID hit, they lost a lot of their customer base. They did pivot to, what they call curated bags. So, they were driving around the counties and dropping food off and their inventory off to people who purchased it. And it was enough to keep the lights on and keep the





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staff going. But they really lost all the momentum that they had built up to grow the food hub into more, more places and helping more dairy farms and that kind of thing. So, they are asking for \$150,000 working capital loan. (Beth Hunt joins the meeting). Through our COVID-19 Small Business Recovery loan program. The loan committee met on April 9th to talk about this. They had some questions, couple of things. Beller Family Farms is a 25% owner of BRVN. And based on our rules, they would have had to submit financials and also guarantee the loan and talking with Beller Farms, they had already put up collateral at their farm to secure a loan for BRVN that they already have. And so they don't really have anything else to give in terms of a guarantee. So we have a provision in our management, and that says that you can deviate from the loan terms upon a recommendation from the LAC to the executive committee, and then approval of the executive committee. So, the first thing would be to approve the deviation of the loan terms leaving Beller Farms out of it. The Munns have agreed to put up their home which will be a first mortgage as collateral. The assessed value was only \$120,000 but we did end up getting an appraisal, they ordered one and is \$200,000 is what it came in. So, there was a lot of concern on the loan committee's part of that there just wasn't going to be enough collateral to secure the loan. But they felt comfortable with a \$200,000 appraisal on the home. That the first mortgage and Munn's personal residence would be enough to secure that \$150,000 loan from us. Any questions that I can answer? Concerns? Christy, I know you were at the first meeting. Anything you want to add?

Christy Wilt: The one thing I noticed that we didn't, we didn't talk about is that their salaries are about \$110,000 a year as well. If you notice that, right? The manager and the and the sub manager were the total was \$110,000 a year. For him and his wife. Right?

Beth Gilles: Mmm hmm.

Christy Wilt: Yeah.

Beth Gilles: So, I don't know how you guys feel about that. AI?

AI Nolette: Can I just ask a curiosity question? This is the first one outside of our five counties. Right?

Beth Gilles: Correct.

AI Nolette: How did how did we get to them? When we are successful, I'd like to know how we were successful.

Beth Gilles: So, we are contracted with the IDA's. So, they were brought to us by Lewis County IDA.





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Al Nolette: Perfect.

Beth Gilles: And Brittany Davis, who's the director, did come to the first meeting and kind of spoke to how important this is to the community and to the dairy farmers out there. In general, they're in a food desert.

Al Nolette: So, some of the partnerships that we paid for with this grant are paying off.

Beth Gilles: Yes.

Al Nolette: Okay. Great. I'd make a motion to set aside the rules for this loan.

Dave O'Brien: Motion by Al. Do I have a second?

Christy Wilt: I'll second.

Dave O'Brien: Second by Christy. Any further discussion? All in favor?

Multiple people: Aye.

Dave O'Brien: Opposed?

Al Nolette: So, I'll follow that up with a motion to approve.

Beth Gilles: So, it's a \$150,000 loan at 1.9% for seven years. First 12 months interest only. Collateral is a first mortgage on their personal residence with personal guarantees from both James and Bethany Munn.

Al Nolette: Does the bank understand it's the first 12 months of interest only? Because they don't seem to be getting it.

Beth Gilles: We'll work on that.

Al Nolette: So, I'll repeat my motion to approve.

Dave O'Brien: Motion by Al. Do I have a second?

Christy Wilt: I'll second.





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Dave O'Brien: Second by Christy. Any further questions? All in favor?

Multiple people: Aye.

Dave O'Brien: Opposed? Carried.

Al Nolette: I said, thanks, Christy, for her hard work on this one.

Christy Wilt: I didn't do much. That was all Beth and Carrie and Jamie.

Dave O'Brien: Okay. Resolution for...

Al Nolette: You're smart enough to surround yourself with good people. That's right.

Dave O'Brien: Okay, I need a resolution for NBRC grant. Workforce Housing Assessment and Strategy.

Beth Gilles: Yeah, so NBRC is requiring, this year, that we submit a resolution from the governing body with the application, which they've never made us do before. So, we are submitting an NBRC grant. It's a \$200,000 project. Will be a \$160,000 grant. \$40,000 local match. The local match is going to be provided by the four counties that the grant covers, which is Hamilton, Essex, Clinton and Franklin counties. And it's for workforce housing inventory assessment, and then to develop some strategies to address workforce housing issues within the Adirondack Park, in those four counties I should say. So, I just need a resolution approving submission.

Dave O'Brien: Anyone care to motion that?

Joe Giordano: I'll move it.

Dave O'Brien: Motion by Joe. Do I have a second?

Christy Wilt: I'll second it.

Dave O'Brien: Second by Christy. You're working hard today, Christy.

Christy Wilt: I am. I'm really working hard today.

Dave O'Brien: Okay, all in favor?

Multiple people: Aye.





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Dave O'Brien: Opposed? Carried. So, I'm not gonna let you get away this easy. Does everyone understand your conversation with EDA last week or this week? What their comments were about the loan fund and everything?

Beth Gilles: Everyone who? My staff or the board?

Dave O'Brien: The board is more important than your staff.

Al Nolette: Hey now.

Christy Wilt: Ohhhh. Those are fighting words.

Dave O'Brien: At this moment, at this moment.

Beth Gilles: So, I had a conversation with the EDA. It's the same conversation we've been having for a while. They want to know why we haven't given out more money. I had a conversation with them that we did just reduce the paperwork burden. And we think that that was a deterrent to a lot of people. But frankly, we didn't do so bad here. And, you know, for people to really show that they had a really bad COVID impact, when they came out with the program, they told us it had to be a sudden and severe economic injury. And that's the way we were looking at it. They've kind of rolled that back a little bit to basically say at this point, they feel every business has been affected by COVID in some way. Whether its supply chain issues, where you're having to buy a lot of inventory right now but you're not getting it for a while and it's depleting your cash because you can't get it, you can't turn it around, so you can't make money and you know, you can't keep your cash flow going. And issues like that. So, they just encouraged us really, I guess the higher ups in DC really thought that everybody's money would gone by now. And it's not just us. It's a lot of the boards. But I told her PPP killed us and EIDL. You know, when you're giving people free money that they don't have to pay back, they don't want a loan, even if it's at 1.9%. And there's nothing I can do to make people take money. And it's not for the lack of trying, trust me. So, I think that at this point, anyone who does come into us, we're going to consider eligible because they said that. But we still need to do due diligence. This is a loan fund. It's not a free for all. So, I think that reducing the paperwork will help. We've let everybody know that we reduced the paperwork. So that's where we are at.

Dave O'Brien: Yes Albert.

Al Nolette: Question number one: Beth, do we still have sufficient monies left on this grant, that we can do another advertising blast? Whether it's radio, paper or a combination of both?





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Beth Gilles: Yeah.

Al Nolette: Okay. And my second question would be, is the \$150,000 too low to attract some of the businesses? Should we look at the level for this fund?

Beth Gilles: We certainly can. We set the level. I will say any changes that we do make have to be approved by the EDA, which they will it's just we have to wait for them to do it. And it has to be approved by the board. Which we probably could get away with doing that through the executive committee as well. So, it's just it's a process, but we can certainly change things.

Al Nolette: I just don't want the \$150,000 to be a barrier either.

Beth Gilles: Yeah, I haven't heard from anybody that it is. But it's certainly something that we can explore and see if maybe if we could, and we actually wouldn't even have to change anything. We could just do a deviation from loan terms. Now that I'm thinking about it. If someone came in and said, really, I need \$250,000 or something like that. We can entertain it with a deviation from the loan terms.

Al Nolette: Yeah, because if the loan committee approves it and the business plan looks good to support it then, you know.

Beth Gilles: Yeah, I can talk to Jamie. Jamie's coming in on Monday. So, I can talk to her about the people she's talked to, has anybody said that \$150,000 is just not worth the paperwork.

Al Nolette: Outreach is obviously the first thing we can do.

Beth Gilles: Yeah, we did a big advertising push right after the second round of PPP was announced, because interest went to like, nobody would talk to us after the second round of PPP. Most of our businesses are in the industries that PPP the second round was even better for than the first round, you got to PPP. But if you're in accommodations, you've got even more money, so free money, everyone wants grants, free money.

Al Nolette: Do you have a Facebook post for this one. Because I know like your business one is out now, I continue to reshare that.

Beth Gilles: Yeah, we did it yesterday, I think Chris put another one out for the loan fund yesterday. The last couple of days, it should be on the feed.

Al Nolette: I do try to reshare those when I see them.





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Beth Gilles: That's great. They did also say that we could do 0% interest. But, me thinking long term, we give a seven year loan and 0% interest the grant that they gave us to operate this ends June 2022, then I have nothing coming in to help pay for the administration of the fund.

Al Nolette: You got to cover the overhead at some level.

Dave O'Brien: The consideration is if you're really pressed, 0%, no payments in the first year then go to 1.9%.

Beth Gilles: But they're not really pressed. That's the problem.

Dave O'Brien: There are some that are pressed. You could do that on a loan-by-loan basis, if you want to consider deviations.

Beth Gilles: Yeah, I mean, we can consider deviations for sure. And then we wouldn't be constantly changing our management plan, too. As long, they have to be recommended by the LAC and approved by the executive committee. So as long as you guys are okay with that, I can talk to Jamie on Monday and just say, you know, if you're talking to somebody, and there's really a piece of our program that is stopping them from applying, we can see how we can work around it with a deviation.

Al Nolette: It's encouraging that this loan committee is having us reschedule our meeting because they're sending loan applicants back for more information, more information, so they're doing their job. This loan committee is doing a great job.

Beth Gilles: Yeah, they are. I think so too. They're definitely looking at them and making decisions, which is what you want.

Dave O'Brien: So, I asked Deanna about that loan in Granville they were talking about. Remember I sent her up to you.

Beth Gilles: Yeah.

Dave O'Brien: Slate Town Brewery.

Beth Gilles: Yeah.

Dave O'Brien: So, here's a here's the answer. I asked Deanna if she did anything more on the loan. She says no, she did not. I spoke with her again this week, she's trying for PPP and now the Restaurant Revitalization Program. So..





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Beth Gilles: Yeah. It's free money. Why would you take a loan when you're gonna get free money, when you're gonna get a grant? One thing too, we have to be careful of now with all of this federal money coming out, is that there can't be duplication. Like we can't give them a loan, for the same time period that they're getting PPP or the revitalization grants or EIDL or anything like that. So, they can't stack them top of each other using the same time period of payroll and working capital expenses. So.

Dave O'Brien: Okay. All right.

Beth Gilles: Alrighty.

Dave O'Brien: Anything else?

Beth Gilles: I'm good.

Dave O'Brien: Okay, thank you all. Adjourned.

Beth Gilles: Thanks guys.

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

