

## Revolving Loan Fund Loan Administrative Committee

June 25, 2019

1:00pm

Lake Champlain – Lake George Regional Planning Board office, Lake George, NY

### MEETING MINUTES - DRAFT

#### Agenda:

1. Approval of May meeting minutes
2. Loan Application Continuation: 9-Mile Coffee
3. Loan Balance Report
4. Loan Updates
  - Joe Brand/All Brands Redemption Center
  - Anton Cooper/Cooper Logging
  - Michael Finnegan/North Country Club Restaurant
  - Peter Ward/Adirondack Meat Company
5. Meeting Schedule – second Tuesday of month beginning quarter
  - July 9, 2019 - CANCELLED
  - October 8, 2019

#### Attendance:

Chad Richards, Glens Falls National Bank

Harry Booth, Small Business Owner, Washington County

Marc Monahan, NBT Bank

Christy Wilt, Director of Economic Development & Hamilton County IDA, Hamilton County

Carol Calabrese, Essex County IDA, Essex County

Patty Waldron, Small Business Owner and Board of Legislators, Clinton County

Beth Gilles, LCLGRP staff

Carrie Yakush, LCLGRP staff

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Ms. Gilles called the meeting to order at 1:01 P.M. at the LCLGRP office, Lake George, New York

#### APPROVAL OF MAY MEETING MINUTES

LCLGRP Director Ms. Gilles asked if there are changes for the May 14th, 2019 minutes. No changes.

Marc Monahan made a motion to approve the minutes, seconded by Patty Waldron. Motion passed.

#### LOAN APPLICATION CONTINUATION: 9-MILE COFFEE

Ms. Gilles briefly reviewed the application and the discussion from the May meeting. Members of the committee were concerned over the lack of collateral on the loan. Brian Hosan was asked to give us a second mortgage on his home as collateral. He and his wife declined. It was suggested for him to get a line of credit on his home. We are unsure if he did that. What Brian eventually did was reduced the amount of credit he is asking, from \$50,000 to \$25,000. For collateral he is putting up all the equipment that he is purchasing with the \$25,000. He purchased the coffee making equipment for \$21,000 on his own and will also use that as collateral. This would be almost \$50,000 collateral on a \$25,000, 5-year

loan. Mr. Booth asked if \$25,000 was going to be enough since Brian originally asked for \$50,000 and will Brian be able to create revenue? Ms. Gilles did ask Brian Hosen that question. Brian stated that some of the money he was asking for was to do renovations. Brian is removing the money he is asking that would have been for renovations and the other business that owns the building will pay for the renovations. Brian has been borrowing money from his personal business to help fund the coffee shop. Upon further look into his paperwork Brian would provide roughly \$30,000 in equipment collateral. Ms. Gilles provided an equipment list that Brian wishes to buy. Ms. Waldron expresses concern about the list. Ms. Waldron states the list is an extreme start up list of brand-new equipment. The committee feels that buying used equipment would be a better start-up. Ms. Calabrese asked if we require a personal guarantee. Ms. Gilles stated yes. The committee also reviewed the coffee shop's menu. Based on his menu the equipment list is in question. The committee feels the equipment list is more for a restaurant rather than a coffee shop. Ms. Gilles stated that we will start getting serial numbers for purchased equipment. The committee reviewed the financial statements (personal, coffee shop, media business), credit report and projections. Mr. Booth asked about loan/payment details. Ms. Gilles said Brian is requesting \$25,000 for 5 years. Ms. Calabrese suggested a 6-month interest only payment. Mr. Monahan suggests getting a list of equipment purchased and copies of invoices on purchased equipment.

Ms. Gilles asked for a motion to approve \$25,000 loan to 9-Mile Coffee. Motion to approve made by Carol Calabrese and seconded by Chad Richards.

Open for discussion: Committee discussed interest rates. The interest rate was set at 6.5% with a grace period of 6-months interest only payments then begin the 5-year loan. Minimum \$5,000 disbursement. No other discussion, approved.

#### LOAN BALANCE REPORT

Ms. Gilles reviewed loans with a history of being late: All Brands (all loans), Thomas Barber, Washington County Agri-Park (both loans), North Country Restaurant, Schroon Lake Campgrounds, Adirondack Meat, Anton Cooper.

We have not heard anymore from Deborah Swan from Willow's Bistro regarding her request for lower interest rate that was denied. She is open and currently operating only seasonally. The building is for sale.

Schroon Lake Campgrounds was discussed. The loan payments were reduced to \$120.00/month when they weren't doing well back in 2012. The first 72 days they didn't pay. They have been paying since. The late fee amount is \$1,688.03 which occurred between 2002-2012. It was discussed that the late fees be waived if payments were made current. Mr. Booth states to request for James Orlando's tax returns. Mr. Monahan suggests sending a letter stating we need to get the payments back to normal. Jay's Heating has been paying under his new loan modification terms.

Livingston's keeps saying he will pay off in lieu of providing his tax returns. He has yet to pay off.

Our loan payment of \$21,225.00 to USDA will be made by July 7<sup>th</sup>, which is the 2<sup>nd</sup> to last payment.

#### LOAN UPDATES

- JOE BRAND/ALL BRANDS REDEMPTION CENTER

Last meeting a loan modification was approved. Because it was over \$100,000 the Executive Committee of the Board needed to also approve. The first loan is personally to Joe Brand. The second and third loan will be combined. The fourth loan with the RDC will be on its own. All

will be re-amortized with a \$50,000 balloon payment on the second and third combined loan.

- ANTON COOPER/COOPER LOGGING

Owes back taxes. County said it needs to be paid by July 12, 2019. If taxes are not paid by July 12, 2019 the county said they will proceed with tax foreclosure process. By July Anton will owe around \$67,000 in back taxes. The county has agreed to let LCLGRP pay Anton's back taxes. The Executive Committee has agreed to pay it as well. There are multiple entities interested in Anton Cooper's property.

- MICHAEL FINNEGAN/NORTH COUNTRY CLUB RESTAURANT

He has a restaurant in Ausable in Essex County and a house in Keeseville in Clinton County. Both the restaurant and house are on the same mortgage. Michael Finnegan has been served, sued personally.

- PETER WARD/ADIRONDACK MEAT COMPANY

We are still pursuing. They are being investigated.

#### MEETING SCHEDULE – SECOND TUESDAY OF MONTH BEGINNING QUARTER

- Next meeting is July 9, 2019 – CANCELLED
- OCTOBER 8, 2019

Motion to adjourn the meeting made by Marc Monahan and seconded by Patty Waldron. Motion carried.

Meeting adjourned at 2:23 P.M.