



Lake Champlain - Lake George
Regional Planning Board
THE COUNTIES OF
CLINTON, ESSEX, HAMILTON, WARREN & WASHINGTON

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REVOLVING LOAN FUND LOAN ADMINISTRATIVE COMMITTEE

Regular Meeting

September 1, 2021 1:00 pm
LCLGRP Offices and Zoom

AGENDA

1. Welcome
2. Approval of July 9, 2021 and July 14, 2021 minutes
3. Loan Applications for COVID-19 Small Business Recovery Loan Program
 - 1:00 – Karasell Flowers – Fort Edward, Washington County
 - 1:30 – Adirondack Winery – Queensbury, Warren County
4. Skewed Brew loan application
5. Adjourn

Ms. Gilles welcomed everyone to the loan committee meeting on September 1st, 2021 at 1:00pm and took roll call.

MEMBERS PRESENT

Carol Calabrese
Paul Hamilton
Chris Hay
Christy Wilt
Chad Richards

MEMBERS ABSENT

Marc Monahan
Harry Booth

ALSO PRESENT

Beth Gilles, LCLGRP
Carrie Yakush, LCLGRP
Dave O'Brien, LCLGRP
Heather Devitt, MVEDD
Steve Smith, MVEDD

APPROVAL OF JULY 9, 2021 AND JULY 14, 2021 MINUTES

Ms. Gilles asked the committee if there were any changes to be made to the July 9th and July 14th meeting minutes.

With no changes, Ms. Gilles asked for a motion to approve both minutes.





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Ms. Calabrese made a motion.
Mr. Hay seconded.
Hearing no opposed, motion carried.

LOAN APPLICATIONS FOR COVID-19 SMALL BUSINESS RECOVERY LOAN PROGRAM

- Karasell Flowers – Fort Edward, Washington County

Ms. Gilles reviewed Karasell Flowers' loan package that was emailed to the committee. The owner, Karen Cozzens, opened Karasell Flowers in 2018. She moved to a new location in March of 2020 with intentions to purchase the building. COVID soon hit. She couldn't provide business for weddings, funerals and the Senior Living Center. Flower stock shortages also caused issues. She wants to purchase a large walk-in cooler to store pre-made arrangements. She is asking for \$120,000 to purchase the property, which is \$68,000, \$10,000 for working capital, \$15,000 for the walk-in cooler, and \$27,000 for minor renovations. Collateral would be a first mortgage on the property and blanket lien on business assets.

Mr. Hay asked if they looked at conventional financing because, he stated, doing a building acquisition on a 7-year amortization would create a lot of cash flow strain on the business and usually something like this would be financed over a 15- or 20-year window.

Ms. Gilles welcomed Karen Cozzens and Deanna Derway to the meeting. Karen stated that due to COVID closures they depleted their saving to pay rent, utilities, and monthly bills. Once they were allowed to open, flower deliveries were not allowed to hospitals, nursing homes or assisted living facilities. All events were cancelled including funeral services, school proms, recitals, plays, concerts, and sporting events.

Mr. Hay mentioned she had a substantial loss in 2019 and is projecting a substantial net income in 2021. Karen stated in May of 2019 she lost her mom and was closed for an extended period. With the change in location from Hudson Falls to Fort Edward she has seen a huge increase to her business with a large walk-in customer base. Mr. Hay asked Karen if she has looked at conventional financing. Karen said she did try Glens Falls National Bank first and was denied. Mr. Hay asked is she would be open to one of the loan programs that offers a 15-year pay back term. Karen said she is open to it.

Mr. Smith asked Karen about the money requested and the quotes provided. Karen provided further explanation.

Mr. Richards asked Karen what type of revenue she generates from special events like prom, weddings, funerals, etc. compared to normal everyday sales like for holidays. Karen elaborated on typical sales of such events. Mr. Richards asked how the online flower ordering works. Karen talked briefly about that process.

Mr. Hamilton asked Karen if she has any events on the books going forward. Karen stated she does have events on the books.





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Mr. Richards asked if there are any supply issues currently. Karen said as of right now things are starting to pick up and get back to normal. She said it has been on the rise since the end of April.

With no more questions from the committee, Ms. Gilles excused Karen Cozzens from the meeting and said she would be in touch later this afternoon with the decision from the committee.

Ms. Gilles and Mr. Hay ran some amortization schedules.

Discussion ensued over which type of loan fund to offer.

Ms. Gilles asked Deanna Derway to send the bank declination letter.

Upon conclusion of discussion, the committee decided on two separate loans.

Ms. Gilles asked for a motion to approve a \$60,000 loan to Karen Cozzens, dba Karasell Flowers, under the COVID-19 Small Business Recovery Program RLF at 1.9% for 7 years, interest only payments for the first 12 months, collateral is a second mortgage on the business property and blanket lien all business assets.

Mr. Hay made a motion.

Mr. Hamilton seconded.

Hearing no opposed, motion carried.

Ms. Gilles asked for a motion to approve a \$68,000 loan to Karen Cozzens, dba Karasell Flowers, under the normal RLF program at 3.5% for 15 years, 6 months interest only, collateral is first mortgage on the property to be purchased.

Mr. Hay made a motion.

Mr. Hamilton seconded.

Hearing no opposed, motion carried.

- Adirondack Winery – Queensbury, Warren County

Ms. Gilles reviewed Adirondack Winery's loan package that was emailed to the committee. They have been in business since 2007 and expanded in 2011. Before COVID they wanted to increase production space and add a new tasting room and shop to their location in Queensbury. Because of COVID, construction costs have increased. They have had to pull cash from the business to help cover material overages. Mr. Richards also briefly reviewed Adirondack Winery's business as Glens Falls National is Adirondack Winery's bank lender.

With no further discussion, Ms. Gilles welcomed Michael and Sasha Pardy and asked them to give a brief overview of their business and what effects COVID had on it. Michael said they are in the process of expanding their business in Queensbury. They would like to put up a 14,000 square foot building. It was started 2.5 years ago and COVID interfered. Due to COVID all costs have increased due to demands. Extra cash is needed for the operating portion, cash flow purposes, of their business.





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Mr. Richards stated Glens Falls National fully supports Adirondack Winery. With no more questions from the committee, Ms. Gilles excused Michael and Sasha Pardy from the meeting and said she would be in touch later this afternoon with the decision from the committee. The committee discussed Adirondack Winery's financials. Mr. Hay said they have great cash flow and very seldom use their line of credit. The committee discussed the terms of the loan.

Ms. Gilles asked for a motion to approve a \$150,000 loan to Adirondack Winery under the COVID-19 Small Business Recovery Program RLF at 1.9% for 7 years with interest only payments for the first 12 months, collateral is a blanket lien on business assets, with personal guarantees from Michael and Sasha Pardy. Mr. Hay made a motion. Ms. Wilt seconded. Mr. Richard's abstained. Hearing no opposed, motion carried.

SKEWED BREW LOAN APPLICATION

Ms. Devitt reviewed Skewed Brew's financials with the additional information that Ryan submitted to the Committee. Mr. Hay said with the additional information provided by Skewed Brew he is OK with moving forward. Ms. Gilles recapped that he is looking for \$150,000 for 7 years. Collateral would be a blanket lien on business assets. Mr. Hay said we should specifically state the canning line that they offered up as collateral as well as business assets.

Ms. Gilles asked for a motion to approve a \$150,000 loan to RC Spot LLC, under the COVID-19 Small Business Recovery Program RLF at 1.9% for 7 years, interest only payments for the first 12 months, collateral is a blanket lien on business assets and specifically on the canning line, personal guarantee from Ryan Chaif. Mr. Hay made a motion. Mr. Hamilton seconded. Hearing no opposed, motion carried.

OTHER

Mr. O'Brien suggested changes to the structure of the COVID-19 RLF. Ms. Devitt discussed MVEDD's COVID-19 Small Business Recovery Loan Program structure.





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Many suggestions were brought up as to how to restructure the program, modify the terms and be more flexible.

In the end, Ms. Gilles will bring forth to the EDA a change in our terms to 0% interest for the first year, then 1.9% interest for the remaining years up to 10 years.

Ms. Gilles asked for a motion to adjust the terms of the program, pending EDA and board approval.

Mr. Richards made a motion.

Mr. Hay seconded.

Hearing no opposed, motion carried.

Ms. Gilles will send the addendum of the COVID-19 Small Business Recovery Loan Program RLF to the committee to review and then send it to the EDA for their approval. Once approved, a special meeting of the Board will convene.

Ms. Gilles asked for a motion to adjourn the meeting.

Mr. Richards made a motion.

Mr. Hay seconded.

Hearing no opposed, motion carried.

Meeting adjourned at 2:40pm.

Respectfully submitted by Carrie Yakush, Senior Account Clerk, LCLGRPB

