

Lake Champlain – Lake George Regional Planning Board

Executive Committee

June 4, 2019

1:00 pm

LCLGRP Offices, Lake George, NY

Attendance

Board:

Dave O'Brien, Chairman

John Strough, Vice-Chairman

Beth Hunt, Secretary

Al Nolette, Treasurer (via videoconference)

Staff:

Beth Gilles, Director

Agenda:

1. Joe Brand Loan Consolidation
2. Anton Cooper tax payment

Joe Brand/All Brands Redemption Center

Chairman O'Brien opened the meeting at 1:10 pm. Ms. Gilles provided the Executive Committee with a brief overview of the history of the four loans that Joe Brand has, three with the Regional Planning Board and one with the Regional Development Corporation. The Committee was provided with copies of the loan payoff letters from the bank, the preview memo created for the loan committee, and the minutes from the loan committee meeting where the Joe Brand consolidation was discussed. Joe's debts, collateral and payment history were discussed. The goal of the consolidation is to reduce the monetary amount of the payments while consolidating the number of payments that need to be made.

RPB staff told Mr. Brand that in order to commence with a consolidation, he must provide additional collateral. Mr. Brand agreed to a second mortgage on his house, which is currently on the market. He has one personal mortgage on the house for approximately \$150,000. Recently, the attorney for the LCLGRP found that Mr. Brand has three workers comp liens against him personally, totaling almost \$100,000. All of those liens would be ahead of the LCLGRP mortgage, so there may not be much equity left in the house. However, Ms. Gilles noted that the attorney suggest we put language in both of the new loan notes that says we get the remainder of proceeds from the sale of the house after all other debts are satisfied. We may end up with some money that way. Mr. O'Brien would like Ms. Gilles to check with the attorney and see if the personal mortgage was filed.

Ms. Gilles also noted that the business property is for sale for \$350,000 and the business is for sale for \$150,000. Mr. Brand has indicated that there is interest in purchasing the business, however he would

hold the note. The attorney suggested that we put language in the new loan note that states the LCLGRP receive the monthly payments for the business directly.

The original plan for the loan consolidation was to consolidate the three loans with the RPB and re-amortize the RDC loan on its own. However, the attorney recently discovered that if we consolidate the second loan (which has a first mortgage on the Chestertown property) with the other two, we lose our position on that mortgage, which will fall behind other debts Mr. Brand owes. Therefore, we should consolidate the first and third loan, re-amortize the second loan separately, and re-amortize the fourth loan separately. Staff will then ask the bank if Mr. Brand can make one payment and the bank split it amongst the three payments.

Mr. Nolette noted that if this was a new loan, the Board would never authorize it. Mr. O'Brien countered that if we force a foreclosure, the value of the building will go down and we won't get as much money for our collateral. Any money we can get is good.

Mr. Nolette noted that in the RDC books, he has already classified the All Brands Redemption Center as a bad debt and has provided a loss allowance. However, the RDC could certainly benefit from this loan paying its debt.

Mr. Strough asked if Mr. Brand is agreeable to the terms presented by the loan committee, and Ms. Gilles stated that he is. More discussion ensued on the terms determined by the loan committee.

A motion to approve the Joe Brand loan consolidation as presented was made by John Strough, seconded by Beth Hunt. No further discussion. In favor – John Strough, Beth Hunt and Dave O'Brien. Opposed – Al Nolette. Motion passed.

Anton Cooper/Cooper Logging

Ms. Gilles spoke with Mike Swan, Warren County Treasurer, on May 31. Mr. Swan indicated that the county will be commencing with tax foreclosure on Anton Cooper's properties on July 12, which will result in the LCLGRP losing its liens. To avoid this, the LCLGRP can catch up on Anton's payment installments for approximately \$6300. This will stave off the foreclosure until July 2020 and give the LCLGRP time to complete its foreclosure process. There is the potential to re-coup that payment if we file an additional lien against Anton Cooper for it. Ms. Gilles will speak to the attorney about it. Mr. Cooper owes the LCLGRP around \$160,000 in principal, back interest and fees. The assessed values of the property the RPB has mortgages on is around \$190,000. Ms. Gilles will work with the attorney to ensure that this payment is necessary, and if so, we will wait to make the payment until the last day in anticipation of Mr. Cooper filing for bankruptcy (which will make this all a moot point).

A motion to approve payment to the Warren County Treasurer to bring Anton Cooper's tax payments installments up to date, if absolutely necessary to protect the LCLGRP's interest, made by John Strough, seconded by Beth Hunt. No further discussion. In favor – John Strough, Beth Hunt, Dave O'Brien. Opposed – Al Nolette. Motion passed.

Motion to adjourn made by John Strough, seconded by Beth Hunt. Meeting adjourned at 1:45 pm.