

MINUTES OF MEETING HELD APRIL 9, 2020

THE MEMBERS OF THE BOARD OF DIRECTORS OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

A Special Meeting of the Members of the Board of Directors of the Warren County Local Development Corporation (LDC) was held on April 9, 2020 at 10:00 a.m. in the Board Room/Remote Access at the Warren County Municipal Center.

The meeting was called to order by Peter McDevitt, Chairman of the Warren County Local Development Corporation at 10:00 a.m.

The following Directors were present:

Peter McDevitt	Eugene Merlino
Craig Leggett	Matthew Simpson
Brad Magowan	

The following Directors were absent:

Others Present:

Ed Bartholomew, CEO, Warren County Local Development Corporation
Frank Thomas, Chairman, Warren County Board of Supervisors
Kevin Geraghty, Warren County Supervisor
Andrea Hogan, Warren County Supervisor
Bennet Driscoll, Warren County Supervisor
Claudia Braymer, Warren County Supervisor
Michael Wild, Warren County Supervisor
Douglas Beaty, Warren County Supervisor
Robert Terwilliger, First Assistant County Attorney
Tammie DeLorenzo, Assistant to the County Administrator
Wayne LaMothe, Warren County Planner
Don Lehman, Warren County Director of Public Affairs
Kristy Miller, Confidential Secretary to the County Administrator

Chairman McDevitt called the meeting to order. Chairman McDevitt started with the agenda relating to the consideration of deferment of loans with the LDC for a period of 3 months. Mr. Bartholomew advises that the purpose of this Special Meeting is for the LDC Board to consider a deferral for all the LDC loans that are current as of the end of February for a period of 3 months (April, May and June). He explains that this would extend out the terms of these loans for a period of 3 months and the mortgagors have the option to continue to make their monthly payments, if they wish to do so. He continues to explain that a majority their loan applicants have contacted the LDC looking for some type of relief. He advises that the group that would be looking for a deferral are Adirondack Fishing Adventures, All in Glass Studios, Burlap & Beams, LuMaZu LLC d/b/a Nettle Meadow Cheese Farm, Martha's Dandee, New Way Lunch Warrensburg LLC, Queen of Harts, and The Barking Spider with the condition of The Barking Spider to sign an agreement being prepared by the County Attorney for them to be involved with the deferral group. He explains that this would be a deferral of principal and

interest for a period of 3 months, which is consistent with what some of the banks are doing. He indicates that some of these businesses are also applying for SBA assistance that may help them with their payroll. Mr. Bartholomew advises that the non-deferrals would be Axis Technologies of NENY, reliable Racing, Stonecast, and Superior Cantina being that they are not current on their loan payments.

Chairman McDevitt questions the 2nd paragraph of Mr. Bartholomew's handout that indicates the date of Tuesday, March 21st and asks if the date should actually be April 21st and Mr. Bartholomew confirms.

Mr. Bartholomew explains that if the LDC Board approves this deferral that the County Attorney's Office will be preparing the necessary extensions approving the same and they would have to be signed by each of the loan applicants.

Chairman McDevitt states that they need to be doing as much as possible to support the small businesses in Warren County as they are the one that keep the County going. He advises that he is glad to see the Rapid Response Program, which seems to be positive and an effort to keep these businesses going.

Director Leggett explains that he believes that the LDC has done these on an individual basis before and those businesses have come through, in turn, leaving a good record in deferring payments for the LDC in the past.

Supervisor Wild reiterates what Mr. Bartholomew is saying and states that there is a viable approach that is being taken by other communities and other regions across the Country. He advises that it is a step in the right direction for our economic recovery and is the least that can be done to help in this type of situation.

Chairman McDevitt asked for a motion to approve the deferment of loans with the LDC for a period of 3 months. Motion was made by Director Simpson and seconded by Director Merlino. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves the deferment of loans of principal and interest with the LDC for a period of 3 months (April, May and June), and be it further

RESOLVED, that the Chairman of the Warren County Local Development Corporation be, and hereby is, authorized to execute the Agreements in accordance with the terms resolved herein above, in a form approved by the County Attorney.

Mr. Bartholomew explains that after this resolution is adopted it will be handed over to the County Attorney's Office to put together the documents to be signed by the eligible loan applicants. He continues to explain that for the anticipated April 21, 2020 Regular LDC Board meeting there will be consideration to take a portion of the current loan portfolio funds and develop a Rapid Response Loan Program, which would entail a program for small business with up to 20 employees to provide a loan with an interest rate of 3.75% for a 3 or 5 year period and a maximum loan of \$10,000 to \$15,000. He advises that approximately \$225,000 would be taken from the loan portfolio funds and allocated these funds into this program. He indicates that this amount of funds would equate to approximately 15 individual businesses being eligible for the

program. He explains that he is working on details by speaking with other Local Development Corporations in the State and with the State Association of Economic Development Corporation on how to put this program together. He continues to explain that there will be requirements and an application that would be reviewed in order for a determination to be made. He believes that this is step two of what the LDC can do for helping the existing loan portfolio. He advises that he has been reaching out to the small businesses that may or may not be eligible for an SBA loan or a loan from a bank to provide them with some type of assistance.

Supervisor Braymer asks the Board members to consider a lower interest rate for the small businesses as the 3.75% is not terrible but getting it a little lower would be great.

Director Leggett asks if the perimeters would be listed out for eligibility and for scoring criteria and Mr. Bartholomew advises that the determination would depend on the size of the loan, whatever the Board comes up with for the interest rate, based on a 3 to 5 year loan term along with the business to be in at least a period of operation of 2 years as well as having 20 or fewer employees. The determination would also depend on a credit score requirement, a personal guarantee by the business owner as well as having a brief application and a brief financial review.

Supervisor Wild explains that what Mr. Bartholomew is doing is part of what he has seen in literature in his web searches with a major component of what is being called disaster recovery. He continues to explain that a part of disaster recovery is also economic recovery to fill in some of the gaps of federal programs. He indicates that he has had a conversation with some bankers and one of the reasons that some people are going to have trouble getting access or approval for the Care's Act Loans is that they do not have local banking relationships making this program extremely important.

Supervisor Beaty reiterates that it is well known if you do not have a relationship with your bank, the banks are looking at customers that they do have a relationship with and providing them with support, in turn, creating a road block for a majority of small businesses. Therefore, he is in complete support of this program being proposed by the LDC.

Director Merlino advises that he is in full support of this program and believes 15 loans is good but questions if these loans are being offered to new businesses and not the businesses that currently have a loan with the LDC. Mr. Bartholomew explains that this program would be directed to the small businesses that have been in business for at least 1 to 2 years.

Mr. Terwilliger advises that it is his understanding that this proposal is for businesses that do not currently have a loan with the LDC already and believes that is what Director Merlino was asking.

Supervisor Wild explains that the loading of the Care's Act for paycheck protection and disaster recovery loans are more than likely going to be gone, if not already, by the end of the week with possibly another one being put in place and maybe another one after that. He continues to explain that as we move forward with these loans, we need to take a look strategically in terms of what industry a business might fall into and which ones are most important for Warren County to enhance its recovery.

As there was no further business to come before the LDC Board, motion was made by Director Merlino to adjourn the meeting, seconded by Director Simpson, and carried unanimously.

Chairman McDevitt adjourned the meeting at 10:20 a.m.

Dated: May ____, 2020

Brad Magowan, Secretary