

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

Business Review Committee - MINUTES

Tuesday June 28, 2024, at 1:00pm
EDC OFFICE – 11 South Street Suite 201

AGENDA

1. Revision of Loan Guidelines
2. Loan Portfolio Summary
3. Potential Loan Applicants
4. Other Potential Uses of Loan Funds
5. Executive Session
6. Adjournment

Present:

Michael Borgos – Borgos & Del Signore P.C.
Mike Murray – Adirondack Trust Company
Marc Yrsha – Glens Falls National Bank

Absent:

Laura Ladu – Whittmore, Downen & Ricciardelli, LLP
Timothy LaSarso – NBT Bank

Staff:

Jim Siplon – WCLDC President, CEO
Diane Dumouchel – WCLDC – CFO

Guest:

Mark Smith, WCLDC Board Member
Jean Anderson Lapper, Anderson Advisory
Haley West, EDC Intern

MINUTES

On June 18, 2024, the Business Review Committee for the WCLDC met in person at the EDC Board Room at 11 South Street, Suite 201 for its quarterly meeting. The meeting opened at 1:04pm and the following items were discussed:

President Siplon introduced the guests. WCLDC Board Member, Mark Smith, has stepped into the role of board member liaison with the committee. Accountant and local business owner, Jean Anderson Lapper, is sitting-in to evaluate her interest in joining the Committee. Haley West is interning with the EDC this summer.

1. **Loan Portfolio Summary**: President Siplon reviewed the state of the WCLDC's current loan portfolio, informing the committee that both LuMaZu and Kirsh are due to resume their payments in July. LuMaZu requested a second disbursement from their 2024 loan, but since they are experiencing reporting delays, the WCLDC will explore the possibility of extending the pause on their payment.

2. **Potential Loan Applicants:** President Jim Siplon reported that the WCLDC has been approached by two potential loan applicants. Both are small, very specialized businesses that are already successfully operating and are looking for capital to expand. He also reported that in the last week, the EDC was approached by two separate individuals with plans to build residential units and looking for help to navigate the HCR funding programs that the EDC has been highlighting in recent Builders Workshops.
3. **Other Potential Uses of Loan Funds:** President Siplon suggested that the aforementioned inquiries highlight gaps in business assistance where the WCLDC Board is considering stepping into. The WCLDC Board, Siplon said, set aside unbudgeted gains from CD investments into a Board Designated Fund, to be used to pilot new uses of funds. Maybe, President Siplon suggested, the WCLDC could invest in businesses scaling-up rather than starting-up, to help retain existing businesses. Committee members agreed that there were already several programs to support start-ups and in fact given the accessibility of SBA backed loans, the banks themselves can step into lower collateral loans. CFO Diane Dumouchel added that there's a program like Start-up ADK to help budding entrepreneurs, but the problem loans in the WCLDC's loan portfolio are for businesses that are dealing with the part that comes later, when they want to grow. President Siplon said that the EDC is working with Bob Bullock, the current teacher for Start-Up ADK on a series of initiatives directed at the 'entrepreneurial ecosystem' in Warren County. This 'ecosystem' includes existing businesses that want to expand, new businesses registered here, and a reverse marketplace for the businesses for which there is a need - such as septic replacement, brine distribution, and milfoil harvesting.

President Siplon reported that the second uses of funds that the WCLDC Board is exploring is aligned with the findings in the County's Housing Study. There is a need for middle income housing, and yet when builders come forward with projects that respond to this need, they can spend months, even years in a back and forth with planning boards. President Siplon pointed out some examples that members could read about in any local paper. President Siplon reported that in conversations that arose in the EDC's Builders' Workshops, local builders stated that the carrying costs incurred during the planning review phase are a deterrent, particularly for entry level construction. Committee members were provided with a term sheet drafted by Kara Lais, the WCLDC's legal counsel, for a builder's pre-development fund. Committee members provided positive feedback as well as concerns for deed restrictions and the recovery of funds should a project never get to approval. CFO Diane Dumouchel offered to integrate the committee's recommendations into the term sheet and with members so they could continue to review.

such a program, but also some concerns about brought some This would is well aligned with the findings in the Warren County Housing Study

4. **Executive Session:** none
5. **Adjournment:** Meeting adjourned at 2:00pm, Next meeting scheduled for September 17, 2024