

## MINUTES OF MEETING HELD APRIL 21, 2020

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

A meeting of the Members of the Board of Directors of the Warren County Local Development Corporation (LDC) was held on April 21, 2020 at 9:30 a.m. in the Board Room/Remote Access at the Warren County Municipal Center, pursuant to the Notice of Meeting emailed April 15, 2020.

The meeting was called to order by Peter McDevitt, Chairman of the Warren County Local Development Corporation at 9:30 a.m.

The following Directors were present:

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| Peter McDevitt  | Brad Magowan   |
| Matthew Simpson | Eugene Merlino |
| Craig Leggett   |                |

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  
Claudia Braymer, Warren County Supervisor  
Michael Wild, Warren County Supervisor  
Douglas Beaty, Warren County Supervisor  
Robert Terwilliger, Warren County First Assistant Attorney  
Tammie DeLorenzo, Assistant to the Warren County Administrator  
Wayne LaMothe, Warren County Planner  
Patricia Tatich, Warren County Assistant Planner  
Donald Lehman, Warren County Director of Public Affairs  
Kristy Miller, Confidential Secretary to the Warren County Administrator  
David Wolff,

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Chairman McDevitt called the meeting to order. He asked for a motion to approve the minutes of the March 24, 2020 Sole Member meeting, the March 24, 2020 Audit & Finance meeting, the March 24, 2020 Annual Board meeting, and the March 24, 2020 Regular Board meeting. Motion made by Director Simpson and seconded by Director Magowan. Motion carried unanimously.

Chairman McDevitt continued with the agenda regarding the review and approval of the March 2020 Financial Statements. Mr. Bartholomew advises that there has not been any significant movement and no loans were provided from the loan portfolio for this period of time. He indicates that they are on track with the budget along with nothing outstanding in terms of expenses.

Chairman McDevitt asked for a motion to approve the March 2020 Financial Statements. Motion was made by Director Magowan and seconded by Director Leggett. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation (“LDC”) hereby approves the Financial Report for March 2020.

Chairman McDevitt continued with the agenda regarding establishing Warren county Rapid Recovery Loan through the LDC Loan funds for the purpose of supporting Warren County small businesses impacted by the coronavirus pandemic. Mr. Bartholomew explains that there have been several programs that have advanced themselves during this crisis and as of last Thursday the entire \$350 billion dollars has been expended. In comparison purposes, he advises that of the payroll protection plan 41,000 businesses in New York did receive funds totaling \$11.7 billion dollars with the leading State being Texas, which received 88,000 applications and approval of \$21 billion dollars. He continues to explain that there is expected this afternoon a vote in Washington by the Senate to approve another round of payroll protection plan along with the inclusion of funds for the hospitals. He advises that unfortunately, the last component of the State and local governments was not successfully negotiated by the parties of which Warren County would have received \$5.6 million dollars along with every municipality sharing in those funds. Mr. Bartholomew indicates that if they do not move quickly with approving this proposal there is a growing movement in Washington indicating that they have spent too much money and therefore, we do not want the door shut on our counties, towns and villages in Warren County. He advises that in regards to the payroll protection plan, it had some obstacles for the small businesses particularly in Warren County. He continues to advise that one of the obstacles dealt with the sole proprietorships or one or two individuals, who were not able to apply until two weeks ago and by that time the funds were depleted. As a result, many small businesses were shut out with others receiving notifications to reapply. He indicates that in discussions with major manufacturers there is an element of small businesses in Warren County that really needed a faster boost, in turn, creating the need for the LDC to propose a loan program of up to \$15,000 with consideration of increasing the amount if circumstances warrant. The interest rate would be at 4% for a loan of up to 4 years with no prepayment and the principal and interest payment being deferred for 3 months. Mr. Bartholomew advises that this loan is not for start-up businesses, but for businesses that have been established for at least 2 years and has been impacted by the current situation. Additionally, there would be a requirement for a personal guarantee along with additional information that would be required allowing the LDC to do their due diligence. He indicates that the goal is to move this program out quickly and he will be speaking with the Information Technology department to put this information on the LDC website, the County’s main website and the EDC’s website (Economic Development Corporation) as well as putting an advertisement in the local newspapers. He advises that he believes he will be receiving some applications very soon and would like to have another Special LDC Board meeting in order to move this process along for these small businesses. He states that this program would not be approved for a small business that has received an SBA loan or other government loans during this period of time, as the intent is strictly for the small businesses that are in need of funds that have not received any other type of relief. The focus of the LDC is to help the small businesses in a time of need and with the loan portfolio consisting of \$900,000 available to lend a figure of approximately \$200,000 would be placed in this program. He indicates that if you divide that by a loan of \$10,000 to \$15,000 each, there is a substantial amount of businesses that the LDC can help. He reiterates that in speaking with three different individuals who have a very optimistic approach towards Warren County and are possibly interested in the LDC’s regular loan program, which is very encouraging.

Director Merlino states that he believes this is an excellent idea and an excellent program but questions the handout that was provided, which indicates a 12-48 year term and Mr. Bartholomew advises that it should be 12-48 month term and will correct the same.

Director Simpson questions the \$125 closing cost fees as this is the time we should be using our resources and Mr. Bartholomew explains that the \$125 closing cost fees are related to recording fees. He explains that the LDC is not charging an application fee and does not believe it is an unreasonable amount to expect in a loan situation, but defers to the committee to waive those fees. He continues to explain that the Warren County Attorney's Office will be used in order to minimize any legal fees as well as no fees being charge administratively.

Director Leggett advises that the Lake George-Lake Champlain Regional Planning Board is also doing a similar program as well.

Supervisor Braymer asks if the application fee that is being discussed is \$125 and Mr. Bartholomew indicates that there is no application fee, but expenses for recording fees. Supervisor Braymer indicates that she appreciates the interest rate being lowered, but thinks that it could be lowered even more and would appreciate the Board considering that change, as the SBA loans are ranging from 1% to 3.75%. Mr. Bartholomew advises that the SBA loans require immediate payment and the LDC is deferring payments for 3 months.

Chairman McDevitt asks the Board members if they agree with the terms of the closing costs and Director Magowan indicates that this is a short term loan and believes that the terms of this loan program are acceptable and Chairman McDevitt agrees.

Supervisor Hogan questions why the loan program requires the business to be established for at least two years and Mr. Bartholomew advises that the logic is to have some type of basis, as it is not a start-up loan but a loan that requires a review of financial reports. He explains that the individual has to be able to show that the current situation has impacted their business specifically and not in speculation. He continues to explain that it allows the LDC to do their due diligence as it is taxpayers' money that is being spent to help these businesses. Supervisor Hogan explains that she understands, but references the two lodging businesses in North Creek that can't access any of the other programs and now they can't access this one either. Mr. Bartholomew advises that those lodging businesses can certainly apply for a regular loan through the LDC at a much higher rate, but it would not limit them to the \$15,000 that this current relief program is allowing.

Chairman McDevitt asked for a motion to approve the Warren County Rapid Recovery Loan through the LDC Loan funds for the purpose of supporting Warren County small businesses impacted by the coronavirus pandemic. Motion was made by Director Simpson and seconded by Director Magowan. The following motion was unanimously carried:

RESOLVED, that the Warren County Local Development Corporation ("LDC") hereby approves the Warren County Rapid Recovery Loan for the purpose of supporting Warren County small businesses impacted by the coronavirus pandemic for loan amounts of up to \$15,000 with a 4% interest rate and bases on a loan term of 12-48 months with no prepayment penalty and principal and interest payments deferred for 3 months, 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.

Chairman McDevitt defers to Mr. Bartholomew about communicating after the meeting with all parties at hand and that Don Lehman, Warren County Director of Public Affairs, would like to get the message out as quickly as he can

Mr. Bartholomew advises that this existing loan program is available to assist companies that are larger and the LDC Board has the flexibility to provide additional money. He explains that if there is a business that has only been established for 6 months, the LDC would not initially turn them down but would take a serious look at evaluating their current situation. He continues to explain that the LDC has to do their due diligence and has advised the various businesses that they need to show evidence of how they have been impacted by the current situation.

Chairman McDevitt continued with the agenda regarding the review of the Loan Portfolio and Mr. Bartholomew states that an executive session would not be necessary at this time but he will be sending a memo out about one loan recipient in terms of restoring his monthly payments.

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 Leggett, and carried unanimously.

Chairman McDevitt adjourned the meeting at 9:56 a.m.

Dated: May \_\_\_\_, 2020

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Brad Magowan, Secretary