Motion:

Second:

**North Country Alliance Local Development Corporation**

**Loan Review Committee Meeting**

**June 4th, 2020 at 2:30PM**

**Minutes**

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Thursday, June 4, 2020 at 2:30 PM via conference call. Dial information 1-800-977-8002 Participant Code 368009#.

**Present:** Ron Bacon, Brian Gladwin, Marijean Remington, Franz Philippe, and Al Dunham

**Excused:**  Deb McAtee, Ross Pancoe, and Steve Hunt

**Others:** Matt Siver (DANC), Michelle Capone (DANC), Sue Matton (NC Chamber of Commerce), Russ Kinyon (FCIDA), and Carol Calabrese (Essex County IDA)

**Call to Order:** The meeting was called to order at 2:32 PM by Brian Gladwin

1. **New Business:**
	1. Meeting Minutes (Approval of Minutes October 7, 2019)
		1. Motion: M. Remington
		2. Second: R. Bacon
			1. All in favor, motion approved
2. Subordination Request – Bowe and Arrow, LLC. is requesting that the NCA share its mortgage and lien positions co-proportionally on MCM Development Malone, LLC with a private investor in the amount of $2.6 million. R. Bacon indicated that he works with the borrowers at Community Bank and he would not be voting on the request. He did indicate that he did not feel that their value of the building was accurate and was lacking as far as collateral, although the NCA has a 1st position on all business assets of Bowe and Arrow, LLC. Ron Bacon asked if the NCA was being asked to share its 1st lien position on Bowe and Arrow, LLC with the private investor. B. Gladwin echoed the question from Ron Bacon on the sharing of the restaurant Bowe and Arrow, LLC collateral. Russ Kinyon from the FCIDA indicated that his board approved the co-proportional mortgage and lien positions for MCM Development Malone, LLC, but they did not approve the co-proportional sharing of Bowe and Arrow, LLC’s 1st position with the private investor. R. Kinyon indicated that the FCIDA took a long hard look at the request and their board is having their attorney verify the principals personal assets. R. Kinyon indicated that although project is a significant risk for the FCIDA and the public agencies the private lender financing will help complete the entire project and it will be a significant investment in Malone NY. R. Kinyon mentioned that he has conducted site reviews and the work done to do date is quality and he feels that the principals will be able to execute the remaining project with the private lender financing. M. Remington indicated that she would be comfortable with the modified request keeping the co-proportional 1st lien position with FCIDA and not sharing that position with the private investor and allowing the share co-proportional position on the MCM Development Malone, LLC mortgage and lien positions.
	1. Motion: M. Remington
	2. Second: F. Philippe
	3. Abstain: R. Bacon
	4. All in favor, motion approved
3. Request for Lien Release – Demers Properties, LLC. is requesting the 2nd mortgage release on 54 Seth Square. M. Siver mentioned that the NCA previously released 62 Seth Square and at the time the NCA released the 2nd mortgage position without a pay down and the NCA loan review committee indicated that they approved the previous request, but would review on a case by case basis. B. Gladwin indicated that he would be abstaining from the vote as he has a relationship with the borrower from NBT Bank, however, he indicated that the business is doing really well and the principal is a good business owner and borrower. S. Matton was on the call as the loan sponsor and indicated that she did not have any information on the Seth Square properties, however, Mr. Demers is a good business in the area and Adams Glass appears to be doing well and they have been designing protective glass covers for offices for COVID-19. The committee indicated that since the business was doing well with cash flow and the NCA appeared to have sufficient collateral with the requested release they would approve the request without a pay down.
	1. Motion: A. Dunham
	2. Second: R. Bacon
	3. Abstain: B. Gladwin
	4. All in favor, motion approved.
4. Loan Review Request – War Canoe Spirits, LLC. is requesting a 3rd bridge loan of $200,000 contingent on the successful payoff of their existing $200,000 loan with the NCA. The proposed request would provide a 3rd bridge loan of $200,000 to bridge $50,000 of the remaining RESTORE Grant, $75,000 DEC Smart Growth Grant, and $100,000 National Grid Grant. B. Gladwin indicated that the first phase was paid off and asked if everything was going well with the second phase and M. Siver indicated that was the case. M. Siver followed up with Anna Reynolds and the Town of Crown Point and Carol Calabrese at the Essex County IDA. C. Calabrese was on the phone and gave an overview of the project and indicated that the progress on the project can be seen on the entrance to the Town of Crown Point as the building is showing progress and is no longer an eye sore. C. Calabrese indicated that Paul is in constant communication and that he has followed through with everything he has proposed thus far.
	1. Motion: A. Dunham
	2. Second: B. Gladwin
	3. All in favor, motion carried
5. **Adjournment:** The meeting was adjourned at 3:29 PM.

The next North Country Alliance Loan Review Committee meeting is scheduled to be held Thursday, July 2, 2020 at 2:00 PM.