Motion:

Second:

**North Country Alliance Local Development Corporation**

**Loan Review Committee Meeting**

**November 6, 2023**

**Minutes**

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Monday, November 6, 2023 at 2PM via WebEx.

**Present:** Marijean Remington, Brian Gladwin, Al Dunham, Ron Bacon, and Steve Hunt

**Excused:** Ross Pancoe

**Others:** Matt Siver (DANC), Cheyenne Steria (Lewis County IDA, Loan Sponsor), and Molly Ryan (Clinton County IDA)

**Call to Order:** The meeting was called to order at 2:03 PM by Brian Gladwin

1. **New Business:**
	1. NCA Loan Review Committee Minutes – October 16, 2023
		1. Motion: A. Dunham
		2. Second: R. Bacon
		3. NCA LRC Approved 11/06/2023
	2. NCA Loan Review Committee Request – Small Town Cultures, Inc. – Cori Deans – M. Siver presented the loan request for $100,000 for 5 years at WSJ prime minus 1% with a floor of 5% fixed at closing with a 10 year amortization. M. Ryan was on the call as the loan sponsor from the Clinton County IDA and indicated that the IDA fully supports the request. R. Bacon asked if the business will require additional capital investment not necessarily loan capital and M. Siver believed that the proposed project would address the capital investment portion for the machinery and equipment and provide what the business needs to fill the additional orders from Walmart and to reduce cost of goods sold by no longer hand filling jars of product. B. Gladwin made comments on the nature of selling products in Walmart and highlighted the difficulties that can go along with that. B. Gladwin/R. Bacon spoke to the nature of convertible debt for financing and that in their experience there is no real way to ask for a subordination of that debt and it is something that we or the NCA would have to live with for this type of project. A. Dunham agreed with B. Gladwin’s points and though overall that this was a good business to support. S. Hunt made comments that based on what he sees in the write-up he can’t find a reason to not support the request and assist the business with an opportunity to grow. S. Hunt mentioned that our contingencies protect us in terms of the convertible debt. Overall the committee thought that this project with its risks was a good project to support.
		1. Motion: A. Dunham
		2. Second: R. Bacon
		3. NCA LRC Approved 11/06/2023
	3. NCA Loan Review Committee Request – Black River Valley Natural Holdings, Inc. (Revised Request) – M. Siver presented the revised request for $100,000 for 5 years with a 10 year amortization at WSJ prime minus 1% with a floor of 5% fixed at closing. C. Steria was on the call as the loan sponsor to the NCA from the LCIDA. B. Gladwin started out the presentation by indicating to the committee that this request is modified from the original request that was tabled at the previous meeting. M. Siver indicated that was the case and the revised project does not involve bridging any grant funds and is in response to the milk carton shortage produced by a fire at the only factory that produces FDA approved cartons for milk. C. Steria indicated that the LCIDA fully supported the revised request and although the opportunity is not a long-term solution for the milk crisis it gives the business an opportunity to do something good and to make a profit in the process. C. Steria indicated that they discussed the long term goals that the short term project may unlock with additional contracts, but as far as the project was concerned this gave them an opportunity to help local schools with supply of product and to shore up cash flow in the short run. S. Hunt asked if the company has bottled milk previously and C. Steria indicated that they do although it is not their main product and not a large portion of their portfolio. C. Steria indicated that the pivot to bottled milk will not require much additionally beyond some inventory and an additional employee shift. B. Gladwin indicated that he has learned more about milk due to this request than he has known his whole life, noted that the request does have strong personal guarantees and outside income of the owners, and gives us an opportunity to finance a business that can help respond to a crisis. B. Gladwin asked M. Siver to note when he sees trusts and to question those in the future as people can transfer assets to them. M. Siver noted that and told him he will moving forward.
		1. Motion: B. Gladwin
		2. Second: S. Hunt
		3. NCA LRC Approved 11/06/2023
	4. NCA Request to Waive Key Man Life Insurance – Kurtis Bennett (Three Mile Bay Adventures, LLC) – M. Siver indicated to the committee that Mr. Bennett worked on getting the insurance but the premium was cost prohibitive due to his military service and having PTSD. The committee was sympathetic to that fact and supported the waiver of the Key Man Life Insurance requirement for him.
		1. Motion: B. Gladwin
		2. Second: A. Dunham
		3. Motion Approved: 11/6/2023
	5. NCA Support Letter Example – M. Siver distributed the support letter example that he worked on with M. Capone and B. Gladwin and the committee supported using the template letter for any requests moving forward. M. Siver indicated that he would update the committee on any letters requested and made to businesses.
		1. Motion: A Dunham
		2. Second: B. Gladwin
		3. Motion Approved: 11/6/2023
2. The next North Country Alliance Loan Review Committee meeting is scheduled to be held as needed.