Motion: A. Dunham

Second: B. Gladwin

Motion Approved 08/25/2022

**North Country Alliance Local Development Corporation**

**Loan Review Committee Meeting**

**June 14th, 2022 at 1PM**

**Minutes**

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Tuesday, June 14th, 2022 at 1:00 PM via conference call. Dial information (315)661-3250; User: 482; Password: 482

**Present:** Ross Pancoe, Brian Gladwin, Al Dunham, Steve Hunt, and Ron Bacon

**Excused:** Marijean Remington

**Others:** Carol Calabrese (Essex County IDA – Loan Sponsor – The Clubhouse Day Care Center, LLC).

**Call to Order:**

1. Loan Review Request – River Creek, LLC requesting $75,000; 10 years at 5% fixed ($30,000 UDC – 5 year term with 10 year amortization ($45,000 RBEG or USDA IRP with a 10 year term for machinery and equipment and working capital. (Previously Tabled)
   1. Discussion – M. Siver presented the tabled loan request from the May 15th, 2022 meeting and gave an update on the global figures provided for Glen’s rental properties. M. Siver indicated that he received tax returns for the 2020 figures and interim financials for the 2021/2022 figures. R. Pancoe indicated that he did not have any additional questions and his biggest concerns about renovating a building and successfully managing the cash flow of the business. R. Pancoe indicated that the information helped shed light on how Glen is as an operator and how his businesses were doing and gave him additional confidence in the project. A. Dunham seconded R. Pancoe sentiments. S. Hunt commented that he thought it was a great project for Hamilton County and Speculator, it would put an old blighted building back into use and help the surrounding community. He thought that the additional information was helpful.
      1. Motion: A. Dunham
      2. Second: S. Hunt
      3. Approved 06/14/2022
2. Loan Review Request – The Clubhouse Day Care Center, LLC – Bridge Loan - $50,000 for 24 months at 5% (WSJ prime minus 1% with a floor of 5% fixed at closing). – M. Siver gave an overview of the request and indicated Mrs. Pierce was guaranteeing the loan with the collateral as the assignment of proceeds from A-15397 Invest in NY Child Care Desert Grant. R. Bacon commented that the request is pretty straight forward with good outside income and personal financials. He asked about the term and why it was set at 24 months when the loan should payoff in less than 12. M. Siver indicated that it was simply to provide flexibility if the grant proceeds are delayed etc. R. Pancoe indicated that he thought overall the project was good but asked about the lease and if there was a formal lease in place and if we should require one? M. Siver indicated that Mrs. Pierce would probably not have an issue formalizing the lease and adding it as a contingency for the project. R. Pancoe thought that would be good along with A. Dunham. B. Gladwin indicated that he thought it was a good project and put it to a vote.
   1. Motion: R. Bacon
   2. Second: A. Dunham
   3. Approved 06/14/2022
3. Bowe and Arrow LLC (Collections) – M. Siver indicated that he spoke with B. Gladwin about the loan collection and he wanted M. Siver to brief the committee. M. Siver indicated that the NCA wrote off the two loans to Bowe and Arrow, LLC last year and we had sent default letters to our attorney’s as the owners did not provide the NCA with a proposal for workout once they became delinquent and were more concerned about the private investor and the building and did not provide the detail needed to help form any type of workout. M. Siver told the committee that M. Capone from the Development Authority had been working on the MCM Development loan workout to bring the building current, get a confession of judgment signed, and start principal and interest payments. M. Siver indicated that he is working with NCA’s attorney, Teresa Bennett, and was moving along a similar path for a workout – bring the NCA current with legal fees, execute the confession of judgment, and start principal and interest payments. If the company fell behind on payments we would execute the confession of judgment. Once Michelle Capone brought that workout to the DANC board and received approval, M. Siver was also looking to bring a similar request to the NCA loan review committee, however, in the mean time the principles from MCM Development/Bowe and Arrow LLC Mike Roseler and Darren Gough indicated that they could not bring everyone current and restart the restaurant and tried to counter with a proposal to pay 10% of the arrears and restructure payments. M. Siver indicated that he thought that proposal was far from acceptable and the NCA’s attorney indicated that we have everything in place to perfect our liens and interests. R. Bacon indicated that he would not vote on this if it was to a vote as he deals with the company for Community Bank although he echoed sentiment that they have also had issues with the bank. The committee agreed that we should keep moving forward with the collections process.
4. Adjournment:
   1. Motion: A. Dunham
   2. Second: B. Gladwin
   3. Adjourned at 1:45PM

The next North Country Alliance Loan Review Committee meeting is scheduled to be held TBD.