

Essex County IDA Special Board Meeting
April 21, 2020 10:00AM
Conference Call

Present: Darren Darrah
James Monty
Jamie Rogers
Matthew Courtright
Roy Holzer
John Boyea

Also Present: Jody Olcott
Carol Calabrese
Sarah LaFountain
Jen Briggs

Absent: James Bowen

Because of the Coronavirus (COVID-19) emergency and state and federal bans on large meetings or gatherings and pursuant to Governor Cuomo's executive order 220.1 issued on March 12, 2020 suspending the open meetings law, the Essex County Industrial Development Agency (IDA), the board meeting is held electronically via conference call instead of a public meeting open for the public to attend in person. Members of the public may call into the meeting and the meeting minutes when transcribed will be posted to the IDA website.

Meeting was called to order by Chairman Darren Darrah at 10:00AM.

Approval of Meeting Minutes

1. March 25, 2020 Annual & Regular Meeting Minutes

Motion #2020-41: A motion to approve the March 25, 2020 Annual & Regular Meeting Minutes was made by Roy and seconded by John Boyea. All members were in favor.

2. April 2, 2020 Special Meeting Minutes

Motion #2020-42: A motion to approve the April 2, 2020 Special Meeting Minutes was made by James Monty and seconded by John Boyea. All members were in favor.

3. April 9, 2020 Special Meeting Minutes

Motion #2020-43: A motion to approve the April 9, 2020 Special Meeting Minutes was made by Roy Holzer and seconded by James Monty. All members were in favor.

4. April 16, 2020 Special Meeting Minutes

Motion #2020-44: A motion to approve the April 16, 2020 Special Meeting Minutes was made by Jamie Rogers and seconded by Matthew Courtright. All members were in favor.

COVID-19 Emergency Grant Program

At the last Essex County IDA special board meeting on April 16, 2020 the IDA board motioned to table the discussion giving the board a chance to re-evaluate the new information that was sent to them regarding the 10 received grant applications. The Essex County IDA was awarded \$10,000 from the Adirondack Foundation to be granted to businesses and nonprofits. The Essex County IDA Board reviewed all grant applications and guidelines and with much review and consideration by the board, it was decided that the following recipients scored high enough to receive \$1,428.57 each: Burleigh Luncheonette, Laura's Custom Artworks, Old Mountain Coffee, Salt of the Earth Bistro, Sleeping Bear, Wilderness Inn and Wind Chill Factory. Based

on the board's review it was decided that Keene Boat House, Optics of Ticonderoga and PMA Accounting did not score high enough to warrant any benefits from the grant program.

Motion #2020-45: A motion to approve the following businesses: Burleigh Luncheonette, Laura's Custom Artworks, Old Mountain Coffee, Salt of the Earth Bistro, Sleeping Bear, Wilderness Inn and Wind Chill Factory at \$1,428.57 each from the COVID-19 Emergency Grant Program received by the Essex County IDA from Adirondack Foundation was made by Jamie Rogers and seconded by Roy Holzer. Matthew Courtright abstained. Motion passes. Jen Briggs will prepare the Grant Award Agreements and will require each business to provide completed W9 form as Essex County IDA will need to send each recipient business a 1099 form at end of year.

COVID-19 Emergency Loan Program

1. Sharprock Corporation (Westport) – Business is located at 1016 NYS Route 22 and provides administrative and managerial services to Northwaters & Langskib Wilderness programs which includes canoeing adventure programs for groups from their 2 base camps located in Ontario. The Westport office employed 3 full-time and 3 part-time employees before they were deemed nonessential and required to close due to the pandemic. Business provided documentation demonstrating the negative impact from the pandemic showing 90% decline in sales in comparison to previous years. Business is requesting \$25,000 loan (\$15,000 working capital and \$10,000 payroll). The loan funds would provide business working capital to operate, maintain payroll and plan for changed operational conditions and market the programs they have to attempt to recover lost revenue. The business has also applied for \$10,000 SBA economic injury disaster loan and has not received response yet. Credit report for Clay Steven was 753 (very good). A list of assets and their value of the business was provided with some of the assets located in Westport and others located in Canada. IDA Board expressed concern for collateral position on equipment that would be located in Canada. Loan write-up shows only Westport machinery & equipment, furniture, fixtures and equipment and vehicles. James Monty and Roy Holzer spoke with the Supervisor for the Town of Westport along with IDA staff reaching out to the company to confirm that company does employ local residents. IDA Board noted they are concerned that business profits are shared with Ontario based parent company.

Motion #2020-46 – A motion to approve the COVID-19 loan request in the amount of \$25,000 (\$15,000 working capital and \$10,000 payroll) to Sharprock Corporation (Westport) for a term of 5 years at 0% interest, personal guarantee by Clay Stephens and no payments for the first six months was made by Jamie Rogers and seconded by John Boyea. Roy Holzer – Yes, Jamie Rogers – Yes, Darren Darrah – No, James Monty – No, Matthew Courtright – No. Motion does not pass. Jen Briggs will develop declination letter.

2. Bub's Pizza & Deli (Elizabethtown) – Business is located at 215 Water Street and serves pizza and a variety of other food products. The business has been opened since 2000. Due to COVID-19 the business had to close its doors March 21, 2020 as both owners have underlying issues and are at high-risk for the COVID-19 along with an additional staff member. The business is requesting \$25,000 (10,000 working capital & \$7,500 inventory) in loan funds. The funds will be used to pay expenses and payroll. The business has also applied for SBA PPP loan for \$25,000 and also a SBA Economic Injury

Loan for \$10,000. There is no update on either program at this time. Business had 2 FT and 3PT employees before the COVID-19 pandemic. Board members noted that the business is very community oriented. IDA is asking for personal guarantees from Michael McCarroll and Marsha McCarroll and 1st lien on machinery and equipment, furniture and fixtures, as well as assignment of mutual fund and deferred compensation accounts as collateral.

Motion #2020-47: A motion to approve the COVID-19 loan request in the amount of \$25,000 (10,000 working capital & \$7,500 inventory) to Bub's Pizza and Deli with 5 year term at 0% interest and no payments for first six months with personal guarantees from Michael McCarroll and Marsha McCarroll and 1st lien on machinery and equipment, furniture and fixtures, assignment of mutual fund and deferred compensation accounts was made by James Monty and seconded by Darren Darrah. All members were in favor.

3. Ticonderoga Paint Decorating Center (Ticonderoga) – Business is located at 1172 NYS Route 9N and provides materials for home improvement projects and maintenance. The business has been opened since 1951 and maintains a well-established reputation in the community. As a result of the COVID-19 pandemic business has experienced a loss of income and customers as they are operating part-time as contractors need supplies and are closed to in-person transactions. The business is requesting a \$13,600 (10,000 working capital & \$3,600 payroll). Before COVID-19 the business had 1 full-time and 1 part-time employee. As a result of the pandemic the business has 1 part-time employee. Board members stated that the business is an anchor to the community. The business was a recipient of the Lake Champlain Bridge Loan Program and Essex County IDA had no issues regarding collection of the loan. The IDA is asking for a personal guarantee from Anne Charboneau and 1st lien on machinery & Equipment and furniture and fixtures, inventory and account receivable. The business will also need to provide a notarized application.

Motion #2020-48: A motion to approve a loan request in the amount of \$13,600 (\$10,000 working capital & \$3,600 payroll) to Ticonderoga Paint Decorating Center with a 5 year term at 0% interest and no payments for the first six months with a personal guarantee from Anne Charboneau and 1st lien on machinery & Equipment and furniture and fixtures, inventory and account receivable was made by Jamie Rogers and seconded by Darren Darrah. All members were in favor.

4. Mossbrook Landscaping and Mossbrook Roots Flower Farm (Chesterfield) – Business is located at 636/614 Mace Chasm Road in Keeseville and provides a full florist service year-round along with landscaping and maintenance. The business started in 2007 and continues to grow. The business provided substantial documentation regarding their loss due to the COVID-19 pandemic with an approximate \$25,000-\$30,000 just in the months of May and June due to all weddings being postponed. Before COVID-19 the business employed 6 full-time and 3 part-time employees. The business is projecting the addition of 2 full-time and 2 part-time employees as a result of the loan. The business is requesting a \$25,000 loan (\$2,000 working capital, \$13,000 payroll, \$8,000 machinery). The loan funds will be used to pay liabilities (equipment, mortgage, payroll, health insurance and utilities). The business has applied for the SBA PPP program as well as the SBA Economic Injury Disaster Loan with no updates at this time. The IDA is requesting personal guarantees from

James Wheelin and Jackie Wheelin and 1st collateral lien on machinery and equipment, furniture and fixtures and accounts receivable.

Motion #2020-49: A motion to approve the COVID-19 loan request in the amount of \$25,000 (\$2,000 working capital, \$13,000 payroll, \$8,000 machinery) to Mossbrook Landscaping and Mossbrook Roots Flower Farm with a 5 year term at 0% interest and no payments for the first 6 months with personal guarantees from James Wheelin and Jackie Wheelin and 1st collateral lien on machinery and equipment, furniture and fixture and accounts receivable was made by James Monty and seconded by Jamie Rogers. All members were in favor.

5. High Falls Gorge (Roanka Attractions Corporation) (Wilmington) – The business is located 4761 NYS Route 86 and has been a tourist attraction providing safe and easy access to view 4 waterfalls since 1890. The Riverview Café was started in 2012 and business added a wedding and event center in 2019. The business has grown from a seasonal summer business to a year-round operation. High Falls Gorge suffered from two 500-year floods in 2011 that took all of their equity and extensive loans to rebuild. The businesses also suffered in 2019 due to a water line break that closed the business for 68 days. As the business has been working hard to get back on top, NYS ordered the business to shut it's doors due to the COVID-19 pandemic. The business is requesting a \$25,000 loan (\$10,000 inventory & \$15,000 payroll). The loan funds will be used to purchase items for reopen when the COVID-19 restrictions are lifted. The funds will also be used to pay expenses so the company can operate with profits. The business has also applied for the SBA Economic Injury Loan with no updates at this time. The IDA is requesting a personal guarantee from Kathryn Reiss, 1st lien position on machinery & equipment and furniture & fixtures, accounts receivable and inventory, subordination of person loan by Kathryn Reiss to business (balance \$66,171.95) as well as notarized signature on loan application.

Motion #2020-50: A motion to approve the COVID-19 loan request in the amount of \$25,000 (10,000 inventory & \$15,000 payroll) to High Falls Gorge with a 5 year terms at 0% interest and no payments for the first 6 months with a personal guarantee from Kathryn Reiss, 1st lien position on machinery & equipment and furniture & fixtures, accounts receivable and inventory, subordination of personal loan by Kathryn Reiss (balance \$66,171.95) and notarized loan application needed was made by Roy Holzer and seconded by Darren Darrah. All members were in favor.

Next Meeting will be held on Tuesday, April 28, 2020 at 10:00AM via conference call.

Adjourn

Motion #2020-51: A motion to adjourn the meeting at 10:36AM was made by Darren Darrah and seconded by Roy Holzer. All members were in favor.