

Essex County IDA Special Board Meeting
April 2, 2020 at 9:00AM
Conference Call

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

Also Present: Jody Olcott
Carol Calabrese
Jen Briggs
Sarah LaFountain

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.

Adirondack Gateway Loan Request

Carol Calabrese explained that the IDA has been working with Muhammad Ahmad (Mo) (Exit 29 Sunoco) for almost a year now. The project is moving forward in cooperation with other regional economic development partners: DANC (\$320,000), National Grid Grant (\$50,000), AEDC (\$50,000) AND LCLG (\$150,000). Business is requesting \$250,000 to be used to pay off remaining owner financed mortgage. The IDA currently has a loan with Mo on the Exit 29 Sunoco (Aleeze Enterprise). Proposed usage of Frontier Town A-Frame building will be for an outfitter store with event center capacity. Phase 1 includes a 6,000 square foot outfitter and general store, Made in Adirondacks Store, 3,500 square feet will be a Subway (franchise agreement signed), rental of kayaks, rafts and mountain bikes. The total project is \$1,091,925. If approved the IDA would have a co-proportional first mortgage on real estate located at 4010 Blue Ridge Road, North Hudson NY 12855, assignments of rents and leases, co-proportional security lien on machinery and equipment, furniture & fixtures, inventory, accounts receivable and general intangibles of ADK Gateway Inc. Most of the IDA board members have met Mo and feel he is a great business owner in the community. Business is projecting 8 full-time equivalent jobs.

Motion 2020-28: A motion to approve a loan request in the amount of \$250,000 to Muhammad Ahmad of Adirondack Gateway to reduce the mortgage amount. Terms of the loan are as follows: \$250,000 for 15 years with an interest rate of 3%, no principal and interest for the first 6 months and interest only for the following 6 months. Loan conditions listed: all regulatory permits/requirements, licensing etc. are met, cross default provision be included in the note/term loan agreement with notification to the IDA, owner proof of cash equity, approval and closing on the following additional project financing: \$221,195 cash equity, DANC \$360,000 (50% loan & 50% grant), LCLGRP \$150,000, AEDC \$100,000 and a grant from National Grid Grant, personal guaranty from Muhammad Ahmad, cross-corporate guaranty of Zoni Enterprises Inc

and Aleeze Enterprises Inc. and 3rd party broker opinion or as completed appraisal with a minimum value of \$660,000 on real estate was made by James Bowen and seconded by Roy Holzer. All members were in favor.

COVID-19 Emergency Loan Fund

Carol Calabrese has been working closely with Jen Briggs to prepare documents the proposed COVID-19 Emergency Loan Fund. The proposed funds will be from the LC Community Loan Fund which was originally granted to the Essex County IDA by NYS Empire State Development for Lake Champlain bridge closure then reprogrammed for Hurricane Irene. There are many businesses that are in dire need of assistance and quick response. Draft loan guidelines as well as application were distributed to the IDA Board for review. Carol noted that the IDA is proposing \$25,000 per loan at a term for 5 years at 0% interest rate, also proposing a moratorium on the principal for 6 months after loan closing. As noted it is difficult to anticipate how long businesses will be affected by this pandemic and when our county will be able to open for business. IDA believes that a loan term of 5 years which is consistent with how funds were used previously during emergencies allows businesses to have lower payment as well as pay additional principal should the economy resume to full sooner than expected. The IDA will waive all fees with no prepayment penalty. IDA will require corporate guarantee from anyone owning more than 20% of the company as well as require security assets (UCC filed). This emergency fund is proposed to be open to businesses and nonprofit entities with up to 100 FTEs. These proposed guidelines and applications are consistent with previously approved reprogramming of these NYS Empire State Development funds. IDA noted that they are recommending start-up businesses would not be eligible as it would be difficult to document business impact if financials are not available from last year to compare. All businesses will have to demonstrate how they are impacted by the COVID-19 pandemic. Eligible use of funds include: working capital, inventory, payroll, machine and equipment and other. Businesses will also need to list any other resources they have applied to. Jen Briggs is recommends not requiring significant collateral as that would be additional time, costs and resources to secure liens, mortgages, etc.

Motion #2020-29: A motion to approve the reprogramming of the NYS Empire State Development funds previously used for the Lake Champlain bridge closure then for Hurricane Irene in the amount not to exceed \$250,000 for COVID-19 Emergency Loan Fund with up to \$25,000 per loan at a term of 5 years at 0% interest rate and a moratorium on the principal for 6 months was made by Jamie Rogers and seconded by Matthew Courtright. All members were in favor. IDA will begin marketing program available via regional partners and social media.

Next meeting will be held on April 9, 2020 at 10:00AM via conference call.

Adjourn

Motion #2020-30- A motion to adjourn the meeting at 10:50AM was made by Darren Darrah and seconded by James Bowen. All members were in favor.