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Motion: A. Dunham
Second: R. Bacon
Approved 3/19/2019

North Country Alliance Local Development Corporation
Loan Review Committee Meeting
March 14th, 2019 at 2PM
Minutes

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Thursday, March 14th, 2019 at 2 PM via conference call. Dial information 1-800-977-8002 Participant Code 368009#.

Present: Deb McAtee, Al Dunham, Ron Bacon, Brian Gladwin, Ross Pancoe, Tom Plastino

Excused: Franz Phillipe, Steve Hunt

Others: Michelle Capone (DANC), Russ Kinyon (FCIDA)

Call to Order: The meeting was called to order at 2:02 PM by Tom Plastino.

I. New Business:

- a. Meeting Minutes (Approval of Minutes February 15th, 2019)
T. Plastino noted that the vote for LC Drives should reflect 4-3 and not 5-2 based upon the count. With this correction:
 - i. Motion: A. Dunham
 - ii. Second: B. Gladwin
 - iii. All Approved

- b. NCA Loan Review Committee reviewed a request by Bowe and Arrow, LLC in the amount of \$225,000 for equipment associated with their start-up restaurant. M. Capone noted that the amount requested does not meet the program criteria of 40% of the total project costs, or \$225,000, whichever is less, and that the committee should consider an amount of \$109,000 consistent with the program criteria. She reviewed the write-up with the committee. R. Kinyon, project sponsor, provided background on the project.

R. Pancoe asked why the cash flow was for the restaurant only. M. Capone noted that the DANC/FCIDA loan only looked at the cash flow for the building. She noted that the Authority/FCIDA do not have the cross corporate guarantee of the

restaurant as we did not know the status of the restaurant when the applicant applied for the building.

B. Gladwin asked about the status of the building. It was noted that the envelope of the restaurant is completed and fitted as much as possible at this point. The Building is about 65% completed. R. Bacon noted that the AirBnB units are completed and being rented. The applicants had told him that a realistic timeline to open the restaurant and commercial space was 3rd Quarter 2019.

T. Plastino noted that the projections in the business plan were way off as compared to the write-up. He noted that the DANC write-up did not correlate to the NCA write-up. M. Capone noted that the DANC write-up occurred in late 2017 and that the project has continued to evolve since then. It was only a snapshot in time and will not correlate directly with the NCA write-up. She will check into why the projections do not match up.

B. Gladwin asked to see the projections for the building. As M. Siver added rent back into the cash flow analysis for the restaurant, the committee wanted to see if the building would cash flow without it.

Overall, the committee favored tabling the request pending the following information:

- Participating lender identified;
- Adjust rent on the cash flow statement for the restaurant;
- Income/expense projections for building;
- Updated status for building completion;
- Income statement for restaurant that matches write-up.

On a motion by B. Gladwin, and second by A. Dunham the Loan Review Committee agreed to table the loan request from Bowe and Arrow, LLC pending the additional information identified above. All in favor; motion carried.

The Loan Committee asked to schedule a meeting for Tuesday, March 19 at 1:30 PM to review Bowe and Arrow, LLC.

II. Adjournment: The meeting was adjourned at 2:45 PM.

The next North Country Alliance Loan Review Committee meeting is scheduled to be held Tuesday, March 19, 2019 at 1:30PM.