

**Economic Development Committee (EDC)**  
**MINUTES**  
***Tuesday, July, 7 2015***

***Committee Members Present:*** James Eisel; Tina Mole; Michael Triolo; Richard Parete; Jim Bogner; Deb DeWan, Innes Kasanof and Alan Rosa

***Committee Member(s) or Staff Absent:*** Thomas Snow, Jr, Ursula Basch, Martin Donnelly

***Committee Member(s) Calling In:***

***Staff Present:*** Barbara Puglisi; Phillip Sireci; Timothy Cox; Jason Merwin

***Guest(s) Present:***

The meeting was called to order at 11:30 a.m.

Minutes from the EDC meeting of June 2, 2015 were moved and passed without comment; *all in favor.*

**NEW BUSINESS**

**Loan Update**

Barbara presented an update of loan activity, which showed the following:

CFF Loan Activity through 5/31/2015 indicated there is \$2,037,578 committed so far of the \$5,000,000 budget for 2015. There is \$525,000 in process.

Regarding the Hospital Health-Care Fund, staff indicated a current balance of \$3,946,839 from our original balance of \$5,000,000, with no loans in process.

The Colchester Flood-Repair Program showed a loan balance of \$532,727 with \$1,967,273 remaining in the budget.

The Municipal Sewer Flood Business Retention Program, has \$156,137 committed with a balance of \$93,863 left in the budget.

Barbara presented a chart showing CWC's collateral position of defaulted and delinquent loans as of 6/23/15. She indicated the Default and Delinquent rate is currently at 10%.

Barbara presented a chart showing a breakdown of CWC Loans that have been "written-off" as of 6/23/15. The total dollar amount of the write-offs is \$2,152,956.64 The chart showed that 68.56% of the total amount written off were loans located in Delaware County. Additionally, 25.83% of the write offs occurred in Ulster County and the remaining 5.61% were located in Sullivan County. There have been no write offs in Greene or Schoharie County.

Barbara presented an updated CFF County Fund Allocation chart showing where and how the CFF has been spent. The chart included how much each county has left to spend.

### **Anti-Rent War Documentary**

Barbara presented a narrative proposal by a company looking to make a documentary film. She explained she and staff, including Diane, met with the members to discuss a loan for this project. She told the committee that the company is actually based in the city though they own a home in Andes and are hiring local talent to assist with the production of this documentary. This type of loan is difficult to collateralize though if the project does discuss a historical event that occurred here, that many people do not know about. She asked if the committee was interested in this type of project.

Jim said that it doesn't sound like it really fits our program rules. Alan said that the business getting a loan should be within the watershed.

Jim Bogner asked how much they are looking for. Barbara replied that their budget was \$440,000 but is not sure how much they would need from us.

Deb said that she thinks they would be good candidates for some sort of historical funding sources rather than from us. Barbara answered that Diane told them the same thing.

The committee decided that they were not interested in making a loan to the project.

### **BAN for Fire Departments**

Barbara told the committee that she was asked if CWC could provide funding for Fire Departments through our BAN program. She explained that after speaking with Tim it was determined that Fire Departments are not eligible. She asked the committee if they were interested in adding Fire Departments to our rules.

Tina asked why the fire departments don't qualify. Tim explained that only towns that are signatories to the MOA including the Villages, are currently eligible.

The committee discussed the taxing authorities of Fire Departments and how they would generate income to pay back the loans.

Rich said that he is not necessarily opposed to loaning to the fire departments but since the program is so new, we should keep it as is for the time being before we start changing the rules. Mike and Jim agreed.

The committee decided not to include fire departments into the BAN program.

### **NYS Grant Bridge Loans (The Roxbury Expansion)**

Barbara explained that she has been approached by two for-profit businesses looking to secure funding for a short period of time until their NYS grants are funded. She added that we have done these types of bridge loans to not for profits and wanted to know if the committee might be interested

in creating a new program to allow for low interest bridge loans for for-profit companies that have been awarded state grants but have to wait for the funding to come through.

She also added that there is an extra issue with one of the companies, The Roxbury. She told the committee that they are already at their limit for how much they can borrow from CWC so we would have to decide whether we wanted to allow for more funds to be loaned than the rules currently allow, in this instance.

Deb asked if these were CFA grants. Barbara answered yes.

Inness asked if there was any risk. Barbara answered that MTC had already been approved for the funding but the state has just been slow to get the money out. Mike added that there is a little risk but not as much as a regular loan.

Jim asked what the banks rates are right now. Alan said he would guess about 6%.

Mike said that he thinks that the interest rate should be tied to Jim's investment interest rate. Innes suggest 1% higher than Jim's rates. Mike said that could work and to have a floor of 2%.

Alan told the committee that there didn't have to be a new program. He explained that as a board they can look at every loan individually and decide the terms of the loan on a case by case basis.

Jim said that he thinks we should keep our regular rules and make the loans at 4%.

Rich said that he thinks the MTC loan is important. He said there is a need in the communities for high speed internet and that helping them continue operations would benefit the residents of the watershed.

Jim Bogner asked if the Roxbury had already been awarded the funding and what the loan limit is. Barbara said they have not been awarded the funds and the limit is \$1.5 million.

The committee decided to keep the rules as they are and not to raise the limit for loan amounts.

### **Maurice D. Hinchey Catskill Interpretive Center-Update**

Barbara told the committee that the Interpretive Center had its grand opening and ribbon cutting ceremony last week. She said that she, Diane and Jason went and it was a very nice event. She added that she saw Jeff and Deb there as well.

Deb said that she liked how all the partners were acknowledged for their contributions.

### **NYS Catskill Budget Line-Update**

Barbara told the committee she received an update from the Catskill Center showing a resolution by the State Senate to have the funding come to CWC. Alan said he would like to know if it has also passed the Assembly or been signed by the Governor.

## **Other**

Barbara told the committee that we recently opened the bids for the kiosk repair in Grahamsville. She explained that we had an original fund of \$25,000 for these types of repairs and projects. She said the bids ranged from \$9,750 to over \$23,000. She added that there was only about \$8,000 left in the original fund. She asked the committee if they wanted to approve the lowest bid of \$9,750 and if they would move an additional \$25,000 into the fund.

***Jim made a motion, Seconded by Rich to approve the bid of \$9,750 for the kiosk repair and to move an additional \$25,000 into the fund. All in favor***

There being no other business, the meeting was adjourned at 12:05.