

Economic Development Committee (EDC)
MINUTES
Tuesday, November 5, 2024

Committee Members Present: Arthur Merrill; Tina Molé; Richard Parete; Innes Kasanof; John Kosier; Jason Merwin; Thomas Snow Jr; David Warne

Committee Member(s) or Staff Absent: Jeff Senterman

Staff Present: Barbara Puglisi; Lynn Kavanagh; Tim Cox

The meeting was called to order at 11:54 A.M.

Minutes from the EDC meeting of October 1, 2024 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 10/31/2024 staff indicated there is \$5,000,000.00 in the budget for 2024. Currently there are seven (7) loan committed; totaling \$4,265,590 and five (5) loans in process; totaling \$1,229,000 leaving a budget balance of (\$494,590). Barbara stated there is a resolution before the Board today to increase the budget by an additional \$2,000,000. Barbara updated the committee on loans closed since the beginning of the program inception is \$112,710,297. She added the outstanding balance of current loans is currently \$29,032,070.

Barbara presented a chart showing CWC's collateral position of defaulted and delinquent loans as of 10/31/2024. The total Default and Delinquent rate is currently 2% and is separated into two categories to show the difference between the two. The Default Risk Rate is 1% and the Delinquent Risk Rate is 1%.

Barbara presented a chart showing a breakdown of CWC Loans that have been "written-off" as of 9/30/24. The total dollar amount of the write-offs is \$4,280,421.80. The chart showed that 72.36% of the total amount written off were loans located in Delaware County. Additionally, 18.54% of the write-offs occurred in Ulster County and the remaining 9.11% in Sullivan County. There have been no write-offs in Greene or Schoharie County.

Barbara presented a chart showing the fund allocation for each county.

M-Ark Project Request for Bridge Loan and Redi-Loan

Barbara presented a request from The M-Ark Project. She directed the committee's attention to the chart provided showing the M-Ark Project's history with CWC and CWC's current exposure. Barbara stated

the M-Ark Project received a NYS Small Rental Development Initiative Grant (SRDI) in the amount of \$724,369 in order to complete a rehabilitation project of 10 Church Street in Arkville. Barbara stated this is a senior housing unit owned by the M-Ark Project and added it is not an assisted living complex. She explained the total project cost is \$905,451 and added they are requested a bridge loan in the amount of \$300,000 for a term of 24 months with the interest rate being 0% on the first \$100,000 drawn and 2% above anything over the \$100,000. Barbara added M-Ark is also asking for a permanent loan in the amount of \$180,000 for a term of ten (10) years at a rate of 3% to finance the owner contribution portion of the grant. Barbara reminded the committee CFF funding cannot be used for residential projects but added it can be used for mixed use buildings. She stated it would be ok for the bridge loan funding as we have done that in the past but for the permanent financing the rule would need to be waived. Barbara went through the M-Ark Projects history with the CWC. Rich asked if the housing portion was allowed and asked if that particular rule could be waived. Jason asked if the permanent financing would go through the underwriting process. Barbara answered yes and added they would need to apply for both loans but we wanted to see if this is something the committee and the board would consider financing as this puts M-Ark over the \$1,500,000 loan limit. Rich asked how much money they currently owe. Barbara answered they owe \$100,000 , which is the amount that was drawn on \$424,000 loan. A discussion ensued. Rich asked if they had received the \$300,000 grant. Barbara answered yes and stated the \$300,000 would be a bridge loan and the \$180,000 would be permanent financing. Jason stated he would like the \$180,000 to go through the underwriting process. Barbara asked if the committee wanted them to go through the underwriting process on both or just the request for \$180,000. Jason stated just for the permanent financing. Barbara asked if the committee could vote on the bridge loan so that could be voted on next month. Rich asked if the committee should wait to see if the loan for permanent financing goes through first as they need that in order to get the grant. The committee agreed to wait to vote.

The request was tabled

Village of Walton – Loan Request

Barbara presented a request from the Village of Walton. She stated they are seeking financing to replace two (2) clarifiers for their WWTP. She stated the total project cost is \$1,600,000 but they are only seeking \$600,000 in financing. She stated they are asking for a twenty (20) year term at a rate of four (4%) percent. Barbara stated CWC's current rate for Municipal loans is six and seventy-five hundredths percent (6.75%) so the rule would need to be waived, she added the loan amount limit would also need to be waived as the rules dictate the loan amount is \$250,000 max. She stated she would also like the closing fee to be waived because CWC will be making four percent (4%) interest over twenty (20) years and added most other BANS are for shorter terms so CWC isn't recouping legal fees on them. Barbara stated the Village Clerk did send her information on what equipment is being purchased this morning. Jason stated he believes the committee will see more requests like these as these plants are starting to age

Arthur Merrill made a motion to approve; Tina Molé seconded the motion; All in favor

Other – Keystone Contract Amendment

Jason stated there was a contract amendment with Keystone Associates for the generator relocation.

He stated the contract was amended to include an additional \$4000 for additional services outside of what was included in the original contract. Jason explained to the committee what the additional services were and added he thinks this is fair and informed the committee he had already signed the new contract agreement.

Innes Kasanof made a motion to approve; Tina Molé seconded the motion; All in favor

There being no other business, the meeting was adjourned at 12:17 P.M.