

IDA

**CONFERENCE ROOM
LAKE PLEASANT, NY**

MAY 1, 2014

The meeting was called to order by Chairman Towers at 2:30 P.M. with the following members present:

Brian Towers, Chairman
William Farber, Vice Chairman
Robin Morrison
Tim Pine

Absent:
Robert Peck
James Bateman
William Faro

Also Present:
Bill Osborne, Interim Executive Director
Laura Abrams, Secretary
Christy Wilt
Kevin Elkin, Kevin Elkin Tree Service
Bill Murphy, Adirondack Teleworks
Pete Klein, Press

Minutes:
Mr. Morrison made a motion to accept the minutes of the October 8, 2013 & January 23, 2014 meetings.
Seconded by Mr. Farber. Carried.

The Chairman explained that there are three loan applications to review. The Chairman introduced Mr. Osborne. Mr. Osborne explained that the first loan application is from the Indian Lake Chamber of Commerce on behalf of Adirondack Teleworks. It is for a \$100,000 bridge loan. Adirondack Teleworks has received a \$100,000 grant through the Regional Economic Development Council in order to hire an Executive Director and provide for some working capital needs. Adirondack Teleworks cannot apply for the money until they have spent the money. The second loan applicant is Kevin Elkin. Mr. Elkin would like to add a bucket truck to his tree service business. It would provide him the opportunity to grow his business as well as provide him with significantly more personal safety. The third applicant is Mr. Charles Frey, he is on his way from Rochester. He is purchasing the Woods Inn in Inlet. Mr. Frey is requesting a loan for working capital. He has already put together the financing to purchase the Inn, his loan has been approved by the bank and is now in the process of being reviewed by the Small Business Administration.

Mr. Osborne further explained that it has been our policy, in the past, when discussing the details and the specifics of these loans to go into executive session. Mr. Osborne stated that he knows for sure that we need to in Mr. Elkin and Mr. Frey's case, but is not sure about the Adirondack Teleworks application; everything they have is public information. Everyone agreed that the Adirondack Teleworks application could be discussed in open session.

Mr. Osborne reviewed the draft commitment letter that he had put together for the Indian Lake Chamber of Commerce/Adirondack Teleworks application. Mr. Osborne explained that they have their Executive Director hired and will be starting Monday, so approximately a year from now the funds will have been expended and it will take a period of time thereafter to get reimbursed from the State of New York. The IDA will be repaid the \$100,000 as soon as the reimbursement is received. Mr. Osborne introduced Mr. Murphy as the driving force behind Adirondack Teleworks. Mr. Murphy stated that he has reviewed the draft commitment letter and is fine with it. Mr. Murphy discussed the grant they were awarded. Mr. Murphy specified that at this time he is requesting that the total amount be approved, but the actual funds sent to the Chamber be split into two payments; one as soon as possible and the other probably around November. Mr. Osborne stated that he will re-write the commitment letter to reflect that before he sends it to the attorney for final approval. Mr. Murphy discussed how the WIA funding will work with this project. Mr. Murphy also stated that they need to get the other towns involved with this so that they can start the outreach initiative. They are already talking about the next CFA; the paperwork comes out tomorrow and has to be submitted in 6 weeks. Mr. Osborne stated that they need to make sure that this funding is clearly and specifically defined for its intent. Mr. Murphy stated that it will be in a separate checkbook. They will provide the IDA a copy of the quarterly reports.

Mr. Farber made a motion to approve a bridge loan in the amount of \$100,000 to the Indian Lake Chamber of Commerce. Seconded by Mr. Pine. Mr. Farber stated that now with the Executive Director on board, it is critical that we move as quickly as possible with coming up with some type of small advisory team that spreads, for phase I, the impact, the management, the direction, to a Hamilton County level with a plan as you look at the CFA for another round, of how we spread that advisory group to a larger scale, that is similar to WIA. Mr. Murphy stated that there is a Workforce Investment Board meeting in Saranac Lake Friday morning, and he will be speaking with the Chairs of the other three county councils, they want them on board for when they take it to a larger scale.

Motion carried.

Mr. Murphy left at this time.

The Chairman stated that the next application is Mr. Elkin's and he would entertain a motion to go into closed session for the purpose of discussing Mr. Elkin's personal finances. Motion by Mr. Morrison, seconded by Mr. Pine. Carried.

Motion to open session by Mr. Farber, seconded by Mr. Pine. Carried.

The Chairman reported that while in closed session the Board discussed Mr. Elkin's specific financial issues in regard to his application. No official action was taken.

Mr. Farber made a motion to approve the commitment letter for Mr. Elkin's loan in an amount up to \$55,000. Seconded by Mr. Pine. Carried.

Mr. Elkin left at this time.

Mr. Charles Frey and his son Bill entered at this time.

Mr. Osborne introduced Mr. Frey to the Board. The Chairman asked Mr. Frey to give the Board a brief description of his project. Mr. Frey thanked the Board for their consideration of his application, it is the difference of him going forward with this project or not. Mr. Frey stated that the current owners of the Woods Inn did a great job of redoing the Inn ten years ago. His forte is in business development; taking businesses forward and growing them. Mr. Frey explained that he has a long history with the

Adirondacks; his family has had a place on Fourth Lake since 1969. Mr. Frey discussed his background and developing the concept of a Woods Inn Marketplace, which would involve all of the businesses that are in the surrounding area of Inlet. The Marketplace would assist local businesses in selling their products online. Mr. Frey has a long technology career. Mr. Frey handed out and discussed the business plan. It has been very well received by all parties involved. The piece that was missing was making sure they had sufficient working capital going forward to make sure it is a success and sustainable. The working capital will be used to fix a fire damaged cabin. The working capital will also be used to put a pavilion where they have historically used tents for functions. The pavilion will also be used for yoga classes etc.

The Chairman explained that we will go into closed session to discuss the specific finances of the project.

Mr. Morrison made a motion to enter Executive Session to discuss the specific finances of Mr. Frey's application. Seconded by Mr. Pine. Carried.

Mr. Farber made a motion to open the session. Seconded by Mr. Pine. Carried.

The Chairman reported that while in closed session the Board discussed the personal finances of Mr. Frey's application. No official action was taken.

Mr. Osborne reported that he has a draft commitment letter that needs to be reviewed by the IDA's attorney before it goes to Mr. Frey. Mr. Osborne stated the LLC for the business (Woods Inn 1894) is pending. Mr. Frey stated that the property will be JDF, LLC. Mr. Osborne stated it is a working capital loan in the amount of \$200,000 at 2% for 20 years, contingent upon bank approval of the main financing. Mr. Osborne further stated that Mr. Frey will be required to insure any collateral and name the IDA as additional insured, further he will need life insurance on himself with the IDA named as a beneficiary for the balance of the loan to stay in force for the duration of the loan. Mr. Farber pointed out that the contingency of approval of the main loan is not listed in the commitment letter. Mr. Osborne stated he will correct that.

With Mr. Osborne making the stated correction, Mr. Farber made a motion to approve the draft commitment letter. Seconded by Mr. Morrison. Carried.

Mr. Frey and his son Bill left at this time.

Financial Report:

Mr. Osborne reviewed the financial report. All loans are current. The Chairman asked what the outstanding balance is for the Woods Inn 2 loan. Christy replied \$11,234.08. Mr. Osborne explained that it will be paid in full at the closing.

Mr. Osborne stated regarding the 2013 Audit Report, there are no issues of any kind other than the fact that he was somewhat lax in providing the necessary data to PARIS. He further reported that it is now up to date. The audit process went very well, it took less than a day. Mr. Osborne gave credit to Christy for the process going so well.

Payment of Bills:

Rose & Kiernan (Oak Mt. Insurance)	\$3,095.00
Port Jackson Media (Ad-Annual Mtg.)	\$6.75
James Bateman (Mileage)	\$56.00
Robin Morrison (Mileage)	\$33.60

BST (Audit Services)	\$2,400.00
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Mr. Osborne explained we will get a refund for what is remaining of the R&K Oak Mt. insurance bill when the property changes hands in August.

Mr. Farber made a motion to pay the bills as audited, seconded by Mr. Pine. Carried.

Mr. Osborne gave an update on the Oak Mt. property. We are set to transfer that property to the O'Briens in August. He has been unsuccessful in getting the three Highway Superintendents all together, but they know they are going to get together soon to discuss what needs to be done to bring the road up to the standard it needs to be at for the Village to take it over. The parcels of property have been accessed; one at \$42,000, one at \$33,000, and one at 40,000. The Water Department has looked at what is there in terms of water and sewer lines. What's there is not sufficient to handle anything more than what is already there. They propose some upgrades. Two of the properties abut Elm Lake Rd. and technically have sewer and water in place from Elm Lake Rd. We would need to hire an engineering firm, at our cost, to determine what has to be done as far as upgrades are concerned. In his talks with the Highway Superintendents individually, it seems there would be considerable expense for the kind of fill that would be needed to bring the road up to minimum specifications for the Village to entertain accepting the road. Mr. Osborne stated that hopefully he will have a lot of details on exactly what we need to do. We also need to move forward with putting the documents together to formally transfer the property. His observation is that they have easily met the capital investment requirements, but he will get details. Mr. Osborne added that Matt and Laura O'Brien are in Savannah, GA receiving a reward from SAM (Ski Area Management).

Mr. Morrison pointed out that when we transfer the mountain to the O'Briens, we need to make sure that we keep the liability insurance on the vacant lots that we are retaining.

Mr. Osborne stated there are a couple of fairly large projects that may need attention soon; we may want to consider regularly scheduled meetings.

The Board decided to set meetings for June 10th in Indian Lake at 1:30 PM and July 3rd in Lake Pleasant at 1:30 PM.

As there was no further business, motion to adjourn by Mr. Pine, seconded by Mr. Morrison. Carried.