

Wayne Economic Development Corporation
Board Meeting – January 25, 2023
MINUTES

A regular meeting of the Wayne Economic Development Corp (WEDC) was called to order by Chairman Scott Johnson, at 10:20 a.m. at 9 Pearl Street, Lyons, Second Floor Conference Room. The meeting was held in person for board members. Members present in-person were Vice-Chairman Phil Eygnor, Treasurer Julie DiLella, Pamela Heald, Secretary Kaye Stone-Gansz, new member Kenneth VanFleet, and Robert DeBadts. Jeannie Brockmyre was absent. Also present in person were staff members Brian Pincelli, CEO; Katie Bronson, COO; Jamie Corteville, CFO; Ariel Camp, Economic Development Specialist, and Deb Hall, Assistant Secretary. Guests in attendance were Amanda McDonald, prospective new board member, as well as Loan applicants, brothers Brad and Kyle Kennedy and parents/partners Lori and Richard Kennedy of K2 Brewing LLC. Counsel John Morrell was present via Zoom.

Mr. Johnson presented Minutes from the December 14, 2022 board meeting for approval with a motion to accept by Mr. Eygnor and a second by Ms. Stone-Gansz. Minutes were accepted with unanimous approval.

Mr. Johnson officially welcomed Mr. VanFleet as a new board member and Ms. McDonald as a prospective new Board member. He pointed out that all three agencies (IDA, WEDC, and CFDC) will have the same board membership. Ms. McDonald is already on the Loan Review Committee. Ms. McDonald will be presented as a recommendation at the February Board of Supervisors meeting.

Ms. Bronson introduced the Resolution for K2 Brewing LLC as a loan applicant for \$500,000 revolving loan funds that will be added to two loans of approximately \$2 million from CNB and \$2 million from Pursuit (SBA 504 program). \$510,000 is their 10% match. Loan Review Committee made recommendations. Mrs. Kennedy reported that more documents were sent to Pursuit and they are waiting for the final approval. Acquisition, materials and equipment, and working capital, plus some moderate modifications/renovations for renovation. Kitchen will get new equipment. Opening up the parking lot. Will only be using the front of the building to start. Large gym will be used for production and small gym will be offered to local youth teams for use. Updated recommendations from loan review include adding a lien on 1221 Empire Blvd building during construction to stay in line with contingency requirements from CNB. CNB is primary through construction. Loan will be at 6% for ten years similar to Pursuit loan at 6.04%. Ms. Heald made a motion to approve the Resolution with a second from Mr. DeBadts. All members approved.

Ms. Bronson introduced Resolution to update the Indus 31 RLF loan commitment for \$500,000. Mr. Pincelli explained that Mr. Mehta pushed back on EDC requirements: 1.) fees, 2.) updated personal financial statement and personal tax returns, 3.) life insurance requirement. The first two items were not recommended for waiver per the Loan Review Committee. The insurance item was discussed in that the insurance requirement typically falls to the manager of the operation and Mr. Mehta will not be the manager, since he is only the developer. In lieu of the insurance requirement, Ms. Bronson stated the recommendation to place lien on the second parcel at the development location containing the KFC restaurant. It would be a second position lien with Five Star in first position. Ms. Heald asked if we have other loan applicants who asked for a waiver of the insurance. Mr. Pincelli explained it in light of the “key man” insurance, in that Mr. Mehta is not the key man. If requested, we can replicate the waiver under similar circumstances. Ms. Bronson stated that in addition to the two main guarantors, the two Irrevocable Trusts will also be guarantors. Ms. Bronson has contacted

the applicant with these recommendations. She has not heard back from them. Resolution is for an amendment to the loan agreement. Ms. Stone-Gansz made a motion to approve the Resolution with a second from Mr. Eygnor. Ms. DiLella registered a Nay vote stating opposition to the exception of the life insurance. Motion carried with 6 ayes, where 5 is majority for the now 8-person board.

Ms. Bronson introduced the Resolution Authorizing Signatures for loan recipient Erik Graff to take an additional \$5,100 loan out against his life insurance policy which is collateral to his loan. The loan is to finish the last room in his daycare center. Two members of the board must sign the agreement. Ms. Corteville explained that the current life insurance policy far exceeds the \$73,000 balance of the loan. Mr. Eygnor made a motion to approve the Resolution with a second from Ms. Heald. All members approved.

Mr. Johnson requested a motion to approve Resolution for Annual Organization, Calendar of Meetings and designation of Officials. Ms. Stone-Gansz made a motion to approve the Resolution with a second from Mr. Eygnor. All members approved. Mr. Johnson asked for a motion to approve Resolution for county contract and shared services between agencies. Mr. VanFleet made a motion to approve the Resolution with a second from Mr. Eygnor. All members approved.

Mr. Johnson announced a Resolution to name the Times of Wayne County as the official newspaper. Ms. Stone-Gansz made a motion to approve the Resolution with a second from Ms. Heald. All members approved.

Ms. Corteville explained the Resolution to open a new Brownfield RLF account in accordance with EPA requirements to hold the portfolio in an interest bearing account. Transfer of original \$200,000 match for the loan and tracking program income associated with the account. Mr. Pincelli is focused on using the fund to help with DRI projects in Newark and elsewhere. Mr. Eygnor made a motion to approve the Resolution with a second from Ms. Heald. All members approved.

Ms. Corteville then explained the GAIN! account closure which has revolved at least twice. The agreement with GFLRPC reporting requirements are complete and WEDC will combine remaining funds into Economic Opportunity and is looking to rename the fund for use in agricultural development projects. Mr. Pincelli asked for brainstorming of a new name for this fund with a 1% rate. Ms. Bronson reminded the board that staff is looking at all the loans to provide the board with some updates on procedures, terms, and policies associated with these funds. Mr. Pincelli asked for any feedback on interest rates moving forward. Ms. Heald commented that rates are currently great. Ms. Bronson said that rates are quoted at the time of application instead of at closing. Mr. Pincelli reminded the board that the concept of capital stacking is to move projects along, not to fund operations. Mr. Eygnor made a motion to approve the Resolution with a second from Ms. Stone-Gansz. All members approved.

Mr. Johnson ask for a motion to approve the Resolution accepting and authorizing the presented 2022 Annual Investment and Procurement Reports to ABO / PARIS. The audit committee that met early that morning recommended approval of said reports as presented. Ms. Heald made a motion to approve the Resolution with a second from Mr. Eygnor. All members approved.

Ms. Corteville explained the Resolution to approve loan loss calculation for fiscal year 2023 in which the allowance of loan loss in the amount of \$49,962 represents the potential risk for non-collection of loans. Calculation is based on principal amount, times 3% allowing for a general ledger

adjustment of approximately \$7,000. Mr. Eygnor made a motion to approve the Resolution with a second from Ms. Stone-Gansz. All members approved.

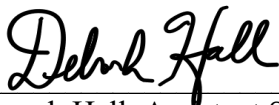
Ms. Corteville presented the loan aging report which shows average days to pay at 33 and 24 for the month of January 2023. New loans listed but not assigned a number yet; Indus 31, LLC and K2 Brewing. Kelley Barbershop's loan is almost paid off with \$350 left. Bank balances were shared with pending loans accounted for.

Ms. Camp reported that she has approximately 15 contacts per month who approach her but none who are currently moving forward with loan apps. Lyons Main St. program is looking to partner with Lyons Library to offer business classes. Mr. Pincelli said EDC will ask for an extension of the Microburst grant appropriations from the state. Ms. Camp stated that under workforce development, the Edge Factor membership is extended for Pal-Mac. She is making a list of school curriculum directors to invite to meeting to be aware of other districts efforts in workforce development. Schools are keen on making connections with local employers and staff is making efforts to highlight programs and resources available. Ms. Stone-Gansz has similar frustration in educating youth on other non-college career oriented students. Ms. Camp discussed work study program run by Community schools and Jay Roscupp. She also mentioned an honors regent certification that reflects career readiness but noted that traditional schools are not integrating this into the graduation requirements. She is looking at ways to integrate Edge Factor with career readiness certification. Mr. Pincelli stated that the larger economy and site selectors is very aware of the connection between economic development and workforce development. Ms. McDonald stated that Lyons middle school is actively taking student to the BOCES center to explore career opportunities.

Ms. Bronson mentioned the kick off to the countywide Business Park study to research current parks and potential other sites. This program will also look for ways to access a new site readiness program called FAST NY which can help with infrastructure to make land ready for business development. Mr. Pincelli explained how this study helps wrap up development efforts.

No other business was brought before the Board. The next WEDC Board Meeting was set for February 22 at 9:00 a.m. A motion to adjourn at was made by Ms. Stone-Gansz with a second from Ms. Heald. Meeting adjourned at 11:10 a.m.

Respectfully submitted,



Deborah Hall, Assistant Secretary