

**Wayne Economic Development Corporation
Loan Review Committee
December 12, 2022 at 9:30 am
In person and Zoom Videoconference**

Meeting Minutes

The meeting started at 3:32 p.m. with committee member Amanda McDonald, LNB present in person. CJ Britt, LNB sent comments prior to meeting but was absent as well as Corey Kayhart, Farm Credit East. Also absent was Committee member was Kevin Groff. Additional attendees included Brian Pincelli, CEO; Katie Bronson, COO; Jamie Corteville, CFO; Ariel Camp, Economic Development Specialist; and Deb Hall, Clerk. Applicants in attendance via Zoom were Christina Lockenwitz from Little Minds, Palmyra and Jett Mehta from Indus 31 LLC, Macedon.

Ms. McDonald acknowledged and approved previous meeting minutes. Ms. Camp invited first Ms. Lockenwitz to describe her new business and discuss proposed use of funds being requested through the Microburst grant funding. She detailed the company would be a full day daycare and pre-school with a pre-school curriculum, located in Palmyra, NY which is considered in an area designated by the state as a “daycare desert.” The facility will operate from 8:30 a.m. to 3:30 p.m. and follow the local Pal-Mac Schools calendar. The facility will offer summer programs as well has ½ day preschool to fill a need recognized by the local school district, who will be recommending some the overflow from their programs to the facility. The program can have 16 children maximum, based on 2 staff, but only 15 are allowed based on the availability of one bathroom. NYS OFS inspections are going well and background checks are almost done. Ms. Lockenwitz discussed her marketing plans. She also stated that the use of \$20,000 in funds being requested would go toward a fire alarm system required by the state, plus security cameras, business insurance, furniture, supplies, curriculum, equipment, legal fees and accounting software. She is also require to install a mop sink based on state requirements. Her revenue projections for year 1 were based on \$280 per week per student for a gross profit of approximately \$103,000. Year 2 could have a slight increase in fees to \$290 per week. She stated that her pricing is comparable to other similar facilities in Monroe and Wayne County, although she is the only one that offers a full day pre-school curriculum. She noted that many programs are understaffed. She is planning to do her own payroll with QB and Ms. Corteville suggested getting some training.

Ms. McDonald asked how long the lease was, to which it was confirmed, 2 years. She also asked about the collection of tuition fees and client commitments. Ms. Lockenwitz said she intends to charge quarterly, in 10 week increments, paid in advance. Ms. Corteville asked if the building had room for expansion and Ms. Lockenwitz stated it did, but only with another bathroom could she increase the total number of children allowed. Ms. Lockenwitz was thanked for her time and left the meeting.

Committee and staff discussed Ms. Lockenwitz decision not to loan funding for startup costs, totaling \$22,000. Ms. McDonald recommended approval of the Microburst grant funding of \$20,000 for this project, stating that she believes the market will be favorable for this project success.

The next project sponsor, Mr. Mehta from Indus 31 LLC was admitted to the Zoom meeting. He described his project as a new build hotel that is currently underway on Rt. 31 in Macedon NY. One question from Mr. Kayhart’s preview responses was, Why Macedon? Mr. Mehta stated that the project is close to home for him, in Penfield, and also that when looking at all the other metrics

of development he has seen in Macedon, and his experience with hotel development in other communities, he was puzzled that Macedon did not have a hotel project underway. There is some scientific data that supports the development based on population size versus number of hotel rooms that could be supported. Wayne County is far below the metric having only two other medium size hotels. He also stated that he works with travel groups to analyze statistics of travel to hotel stays as well as with major hotel chains in their analysis of big data. In his experience, the first hotel in an area can have a positive ripple effect on other development in the general vicinity. He was also intrigued that he was utilizing property to develop a new hotel on the same site as a former hotel/motel. Mr. Mehta was thanked for his time and left the meeting.

Committee and staff discussed Mr. Mehta's company and the fact that they are long term asset developers with a slightly new model and operating brand. Ms. McDonald asked about the overall appraisal of the project compared to the loan request of \$500,000. Ms. Bronson stated that we do not have an updated appraisal estimate but stated that there is a commitment letter from the first financier bank. The committee moved to executive session to discuss Mr. Mehta's personal financial status.

Closing the executive session, Ms. McDonald wanted to make sure that the final appraisal be shared with the WEDC. Ms. Bronson stated the project is slated for completion in Spring 2023 and will create 14 jobs. Financing will be for 10 years at 5.25%.

Ms. McDonald recommended approval of the revolving loan application request.

The committee and staff then discussed the need and function of a SBA 504 lending program. Ms. McDonald has some experience with these deals. She stated that more could be done in this arena but that there is a lack of awareness in the business and/or banking community.

Hearing no other business, the meeting ended at 4:30 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Deb Hall". The signature is written in a cursive, flowing style.

Deb Hall, WEDC assistant secretary