



ECONOMIC DEVELOPMENT CORPORATION

FINANCE COMMITTEE

Meeting Minutes

Thursday, October 7, 2021 – 8:00 a.m.

Board Members Present	Staff/Others Present
Karen Parkhurst, Chair	Michael Wojcik, CFO
Rob Solenne, Vice Chair	Sue Vary, Economic Development Specialist
Walt Matyjas (via Zoom)	Brigitte Larson, Staff
	Mike Manikowski, Executive Director
Board Members Excused	
	Guests

Call to Order: Chair Karen Parkhurst called the meeting to order at 8:02 a.m. A quorum was present.

GENERAL BUSINESS:

Approval of August 26, 2021 Minutes: Karen Parkhurst presented the August 26, 2021 minutes for approval.

Rob Solenne made a motion to approve the minutes of the August 26, 2021 meeting as presented, seconded by Karen Parkhurst. Motion carried.

Finger Lakes Goods:

Suzanne Vary and Michael Wojcik discussed the request from Finger Lakes Goods, reminding the Board that the project has a total of four phases. Of these four phases, the OCEDC will be able to assist with Phases 2 and 3; expansion and a new distribution center. The total project cost is \$973,500 and includes funding from the following sources: City of Geneva RLF, CDBG Grant through the City of Geneva, equity and private investors. This loan will be contingent on a \$180,000 loan from the City of Geneva RLF, \$300,000 investor capital raise and proof of \$125,000 equity investment. The Company plans to retain 2 FTEs and add 6 FTEs within three years. Sue Vary also shared that the City of Geneva has approved the request contingent on proof of the \$300,000.

Michael Wojcik presented the projections and stated that Sue has visited the shop in downtown Geneva. Sue has identified what assets the Company may use EDC funding for and the Board will review purchases.

Walt Matyjas entered the meeting via Zoom at 8:33 a.m.

Terms were discussed and it was determined that counsel will review the language of the commitment letter to ensure OCEDC funds go to eligible costs.

Rob Solenne made a motion to recommend approval pending counsel review, contingent on the following:

- *The term of the \$180,000 loan requested is requested to be 5 years (60 months) at 75% of WSJ prime at time of closing or 3.0%, whichever is higher.*
 - *Shared first security interest with the City of Geneva.*
 - *Personal guarantee of the sole owner, Jim Cecere.*
 - *A \$180,000 life insurance policy on the key active owner Jim Cecere with the borrower responsible for all premiums and ensuring that the policy remains in force for the life of the loan. The insurance may be decreased during the life of the loan but never below the existing loan balance.*
 - *\$300,000 deposit of funds into the corporate account from a private equity raise.*
 - *\$125,000 equity contribution from the current sole owner, Jim Cerere.*
 - *Semi-annual (June and December) compiled statements or better due 30 days following the close of the month.*
 - *Copy for federal tax return of the LLC if financial statements provided are compiled. No tax returns due if financial statements provided are reviewed or audited.*
 - *Employment reporting due at the end of January and July of each year the loans are outstanding.*
- Karen Parkhurst seconded the motion. Walt Matyjias abstained. Motion carried.*

Canandaigua Chamber of Commerce:

Suzanne Vary spoke about the request, a \$40,000 deferred payment note for the Canandaigua Chamber. The funds will assist in renovating and expanding a co-work space in downtown Canandaigua, called Studio113. Studio113 already has three tenants and will be a central location in Ontario County.

Walt Matyjias asked about the budget for forgivable loans, to which Michael Wojcik answered that the EDC usually gives \$40,000 to workforce development. Workforce development did not need the funds this year and Michael stated that it would be reallocated.

Milestones discussed included completion of buildout and reaching 70% of occupancy over a period of two years.

Rob Sollenne made a motion to recommend approval of the deferred payment note in the amount of \$40,000, contingent on the above mentioned milestones. Walt Matyjias seconded the motion. Unanimously approved. Motion carried.

Budget:

Michael Wojcik presented the OCEDC Budget to the Committee. Michael stated that there will be \$1 million coming in from the CDBG CARES Act and that it will require a single audit to be performed. Expenses are consistent with past budgets. Consultant Services includes funding for the Harrison Studio and a contract with Mike Manikowski for consulting in 2022 of 5 hours/week.

Walt Matyjias exited the meeting at 9:00 a.m.

It was also discussed that the requests for deferred loans have increased. Michael stated that the existing deferred loans line will be changed to reflect the correct amount before presenting to the Board for approval.

Rob Sollenne made a motion to recommend approval of the budget to the Board, with the one change to deferred loans. Karen Parkhurst seconded the motion. Unanimously approved. Motion carried.

Adjournment: *Rob Sollenne moved to adjourn at 9:02 a.m., seconded by Karen Parkhurst. Unanimously approved. Motion carried.*

Respectfully submitted,

Brigitte Larson