



ECONOMIC DEVELOPMENT CORPORATION

Tuesday, February 8, 2022

Board Members Present	Board Members Excused
Robert Solenne, Chair	Supervisor Fred Lightfoote
Erica Wright, Vice Chair	
Joseph Bridgeford	
Supervisor Peter Ingalsbe (via Zoom)	
Karen Parkhurst	
Lynn Freid (via Zoom)	Guests
Supervisor Fred Wille (via Zoom)	
Kevin Hill, Treasurer (via Zoom)	
Walt Matyjas (via Zoom)	
Non-Board Members Present	
Suzanne Vary, Interim Executive Director	
Bob Mincer, Staff (via Zoom)	Contract Staff
Jessica Kazmark, Staff	Ed Russell III, Underberg & Kessler
Michael Wojcik, CFO	Mike Manikowski, Consultant
Brigitte Larson, Staff	

CALL TO ORDER: Chair Rob Solenne called the meeting to order at 8:31 a.m. Roll call was performed and a quorum was present.

NEW BUSINESS:

Sweet Acres Creamery:

Suzanne Vary reminded the Board of Sweet Acres Creamery is an eight member owned LLC. The members are farm owners in Ontario, Wayne, Yates, Seneca and Steuben Counties. The Company plans to build a milk processing facility with a store front in Seneca, along Routes 5 & 20. The facility will be an 88 x 64 feet building with a 20 x 40 feet porch. The store will sell bottled milk, cheese and other goods. Currently, Sweet Acres Creamery products are wholesaled to retail outlets and many farm-to-table restaurants in the Finger Lakes. The Company is requesting EDC assistance in the amount of \$400,000.

Michael Wojcik presented the projections, noting that this is a unique project and is very different from the normal process. The Company is working with Farm Credit East and has a long list of contributors. The eight farmers each own 12.5% of the Company and also have family members that will be working in the store front. Michael explained that there is a \$200,000 mortgage on the property, with a private lender listed as first position. It was discussed at the Finance Committee that it would be beneficial to see if the lender would authorize the

EDC taking first position on a \$400,000 mortgage. It was also discussed that Mennonites typically do not have life insurance, which is another reason first position on the mortgage would minimize the risk.

The Company plans to retain 1 FTE and create 4 FTEs. It was discussed whether that includes the families and how the members will be assisting in everyday production.

Board members commented on this is an opportunity to embrace the Mennonite culture as this may not be the only time the EDC is approached. This project will also add diversity to the EDC loan portfolio.

Lynn Freid made a motion to approve the loan for Sweet Acres Creamery in the amount of \$400,000 contingent on the following:

- *Personal guarantee of all eight owners.*
- *First position on a \$400,000 mortgage on building.*
- *Second position on all business assets.*
- *Retain 1 FTE and create 4 FTEs.*
- *The term of the \$400,000 loan requested is requested to be 10 years (120 months) fixed at either $\frac{3}{4}$ of The Wall Street Journal prime rate or 3.0%, whichever is higher, in effect at the date of closing.*
- *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.*

Walt Matyjias seconded the motion. Unanimously approved. Motion carried.

OLD BUSINESS:

CDBG CARES Act funding:

Suzanne Vary shared that there are currently three applications that have been approved for the funding, leaving \$800,000 left to award. To date there have been 12 applications accepted, some still pending review by Ostrander Consulting.

Ostrander Consulting will be conducting two workshops this month, to be held at the Canandaigua Chamber of Commerce. The firm will also be putting together a list of upcoming workshops to assist business owners.

It was clarified that these funds may be used for working capital, payroll, PPE, etc. August 15th is the cutoff date.

Vertex Optics:

Principal and interest payments for Vertex Optics were deferred to March 1st of this year. Suzanne Vary and Michael Wojcik shared that Canandaigua National Bank is authorizing interest only payments for the Company, while Pursuit (SBA funds) is switching to principal and interest payments, then catch up payments.

Suzanne informed the Board that Vertex Optics has been doing well. The Company currently has 18 FTEs, exceeding their initial projections.

Karen Parkhurst made a motion to authorize interest only payments for six payments. Joe Bridgeford seconded the motion. Unanimously approved. Motion carried.

Pending Loans:

Michael Wojcik and Suzanne Vary informed the Board that there are two pending loans, waiting for closing. Finger Lakes Goods has a commitment letter set to expire in March. Staff is hoping to hear from Jim before the expiration. Select Fabricators is set to close around March 17th.

The Board inquired about the pipeline to which Suzanne Vary responded that it is light right now but should pick up.

ADMINISTRATION:

January 11, 2022 Minutes:

Rob Sollenne presented the January 11, 2022 minutes for approval.

Supervisor Peter Ingalsbe made a motion to approve the January 11, 2022 minutes as presented. Erica Wright seconded the motion. Unanimously approved. Motion carried.

Real Estate database proposal:

Suzanne Vary presented a proposal from Jim Armstrong. Jim currently works for Fairweather Consulting and has been heavily involved in the County's Business Retention & Expansion program over the years.

Jim's proposal is to update the industrial inventory of buildings and land available for display on the OED website. Jim would gather specific data from realtors, property owners and towns, and use this information to maintain the GRE website as well as the County website. The total projected cost is up to \$7500, to be split between the OCIDA and the OCEDC, if approved.

It was discussed that the Board would like formal reports to reflect the updates and time spent on the project.

No action taken. Topic is tabled pending a report from Jim Armstrong.

Invoices for Payment:

Michael Wojcik reviewed and submitted the invoices for payment for approval, which included 3 invoices totaling \$9,301.13.

Joe Bridgeford made a motion to approve the invoices for payment. Erica Wright seconded the motion. Motion unanimously carried.

Questions on Informational Reports:

Michael shared that the auditors were in the office two weeks ago and Staff is currently working on PARIS documents. Audit reports and PARIS documents will be presented at the Annual EDC meeting in March.

Open Discussion:

Suzanne Vary and Mike Manikowski introduced Dave Linger. Dave may be interested in filling the vacant position on the OCEDC Board, replacing Dave Bunnell. Dave Linger has served on many community boards, including the Finger Lakes Visitors Connection. He is currently the

Board President of the Geneva Business Improvement District. Dave has also worked in real estate and civil litigation.

Staff will schedule a Governance Committee meeting to discuss Dave's appointment to the Board.

ADJOURNMENT:

Erica Wright made a motion to adjourn at 9:38 a.m. Karen Parkhurst seconded the motion. Unanimously carried.

Respectfully submitted,

Brigitte Larson, Staff