



ECONOMIC DEVELOPMENT CORPORATION

Meeting Minutes

Tuesday, June 21, 2016

Board Members Present	Board Members Excused
Robert Solenne, Chair	Walt Matyjas
Joseph Bridgeford, Vice Chair	Supervisor Daniel Marshall
David Bunnell, Secretary	
Kevin Hill, Treasurer	
Supervisor Fred Lightfoote	
Carla Seiling	Guests
Supervisor Robert Green, Jr.	Brian Young, Deputy County Administrator
Karen Springmeier	
Karen Parkhurst	
Non-Board Members Present	
	Contract Staff
Suzanne Vary, Econ. Dev. Specialist	Jim Coniglio, Underberg & Kessler, Local Counsel
Michael Wojcik, CFO	
Melissa Doyle, Staff	
Diane Foster, Staff	

CALL TO ORDER: Chair Rob Solenne called the meeting to order at 8:30 am. A quorum was present.

Kevin Hill entered the meeting at 8:31 am.

Jim Coniglio entered the meeting at 8:37 am.

NEW BUSINESS:

Cheribundi: Suzanne Vary reviewed the request from Cheribundi for \$200,000 from the Grow the Agriculture Industry Now (GAIN) funds. She explained that the funds would be used for packing line equipment that is needed for Cheribundi's new location. She noted that Cheribundi has been and continues to plan on ramping up sales at a rapid pace to be attractive to potential buyers. Michael Wojcik reviewed a location analysis that was done. He reviewed the cost benefit and financials with the Board and did not recommend the loan based on Finances alone. Suzanne Vary reported that the Finance Committee had met and recommended the loan based on Cheribundi remaining in Ontario County, getting approval of the NYS grants and tax credits and perfecting the collateral agreements with legal counsel. The collateral position was reviewed by counsel, it was noted that the OCEDC would be first on equipment. It was discussed that improvements were being made to the building by the Landlord.

Many concerns were expressed; the most pertinent concern was expressed on Cheribundi's potential desire to relocate. Fred Lightfoote noted that this has been an issue that has always been

out there. He stated that the Tech Farm gives the OCEDC an opportunity to help these fledgling companies get started. He questioned the purpose of helping a company that has already gained their footing, noting that it very well could be for them to get to the point where they can move to a better economic climate. Bob Green concurred with Fred Lightfoote. Rob Sollenne noted that he believes the connection for Cheribundi staying locally is the connection to Cornell in Geneva and if the shareholders wanted to relocate then they would have already done so. Karen Parkhurst agreed with Rob Sollenne's thoughts and noted that every loan has its risks. She stated that if they stay five years they would be ahead of the game and is in support of the loan. Dave Bunnell noted that the motivation of the loan is to keep them here. He stated that they need to come up with a way to assure their commitment to Ontario County.

Fred Lightfoot noted that greater discussion was needed in the future as other businesses mature to lay out a "road map" to allow the OCEDC to keep businesses here that may want to leave. Several options were discussed on an agreement to keep Cheribundi in Ontario County following a full and frank discussion.

Fred Lightfoot made a motion to approve the \$200K loan for five years at 1% with the following contingencies:

- 1. Subject to approval of NYS Grants and tax credits*
- 2. Subject to first collateral position on the UCC for equipment financed*
- 3. Subject to a prohibition on prepayment*
- 4. Subject to an independent covenant to stay five years with liquidated damages for breach of covenant at \$100,000.*

Bob Green seconded the motion. Following additional discussion; Bob Green respectfully withdrew his seconded motion.

Dave Bunnell seconded the motion subject to the proposed conditions above.

Motion defeated with three in favor and six opposed.

Karen Parkhurst made a motion to approve the \$200K loan for five years at 1% with the following contingencies:

- 1. Subject to approval of NYS Grants and tax credits*
- 2. Subject to the first collateral position on equipment financed*
- 3. Subject to a prohibition on prepayment*
- 4. Subject to an independent covenant to stay five years with liquidated damages for breach of covenant at \$50K.*
- 5. Subject to 12 FTE jobs created target within three years of the loan being made.*

Kevin Hill seconded the motion. Motion carried with one opposition.

OLD BUSINESS:

Amendment of Modern Manufacturing's Loan: Karen Parkhurst informed the Board that Modern Manufacturing is requesting an amendment to the April 2016 agreement. One loan contingency was that the proceeds from the sale of their previous location were to be put in escrow for repair and renovations at their new location. Modern Manufacturing has reported that due to the excellent condition of their new location, they were able to do a full cleanup and minor repairs at their own expense. Karen Parkhurst stated that Modern Manufacturing is asking to remove the contingency that proceeds of a sale from their former location be put in escrow.

Ms. Parkhurst reported that the Finance Committee met and recommended the removal of the agreement for the proceeds of a sale to be used for repair and renovations to the new location take place after one year of non-delinquent payments, or if a sale was imminent before next May, the Board would consider removal of the contingency then .

Karen Parkhurst made a motion to approve the Amendment after one year of Modern Manufacturing making payments that were not delinquent; or if a sale was imminent, then the OCEDC Board would consider this request then. Karen Springmeier seconded the motion. Motion carried with Carl Seiling recusing herself due to a potential conflict of interest.

Carla Seiling re-entered the meeting at 9:41 am.

ADMINISTRATION:

Finger Lakes Works with their Hands (FLWWTH): Suzanne Vary stated that the OCEDC has sponsored FLWWTH in the past for transportation in the amount of \$1,200.

Bob Green made a motion to approve a contribution of \$1,200 to support the transportation costs of Ontario County students to the Finger Lakes Works with their Hands event held on Thursday, October 6, 2016. Dave Bunnell seconded the motion. Karen Springmeier abstained from the vote. Motion carried.

June 7, 2016 Minutes, Billing Report and Invoices for payment: Rob Sollenne blocked the June 7, 2016 minutes, the Billing Report and the Invoices for payment and presented them for approval.

Dave Bunnell made a motion to approve the June 7, 2016 minutes, the billing report and the invoices for payment. Joe Bridgeford seconded the motion. Motion unanimously carried.

ADJOURNMENT:

Karen Springmeier made the motion to adjourn the meeting at 9:42 am. Karen Parkhurst seconded the motion. Motion unanimously carried.

Respectfully submitted,

Diane Foster

Staff