



ECONOMIC DEVELOPMENT CORPORATION

20 Ontario Street
 Canandaigua, NY 14424

Meeting Minutes

Tuesday, January 31, 2017

Board Members Present	Board Members Excused
Robert Solenne, Chair	
Joseph Bridgeford, Vice Chair	Karen Parkhurst
Kevin Hill, Treasurer	
David Bunnell, Secretary	
Supervisor Robert Green, Jr	
Supervisor Fred Lightfoote	
Supervisor Daniel Marshall	<u>Guests:</u>
Karen Springmeier	Brian Young, Deputy County Administrator
Walt Matyjas	Kathy Bailey, Workforce Development
Jodi Earle	Allison Leet, New Scale Technologies, Inc.
<u>Non-Members Present:</u>	<u>Contract Staff:</u>
Mike Manikowski, Executive Director	Ella Krzanowicz, 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.

Introductions were made.

OLD BUSINESS:

New Scale Technologies: Allison Leet, with New Scale Technologies, gave a brief review of the company. She reported the \$461K loan was used to upgrade their manufacturing facility and give them capacity in equipment necessary to increase their production. New Scale is asking for a change in the loan terms so that M&T could be first for the company's business assets and asking if the OCEDC would be willing to take second position. It was explained that New Scale has applied for a line of credit with M&T to provide funding for working capital to support company growth. Upon approval, M&T is requesting that the OCEDC would subordinate its lien on the company's business assets to M&T. Ms. Leet noted that the loan will be paid in full by

July, 2018. Allison Leet, then showed a video of the company producing cobra positioners in their manufacturing facility. Allison Leet exited the meeting at 8:40 a.m.

Kevin Hill made a motion to amend the loan agreement to subordinate OCEDC's first lien position to M&T Bank and be in second lien position for New Scale Technologies.

Walt Matyjas seconded the motion. Motion unanimously carried

Cheribundi: Ella Krzanowicz, with Underberg & Kessler, reported that Cheribundi has previously received capital from Emil Capital. OCEDC received from Cheribundi a request for consent to borrow an additional \$2.5 MM of new debt from Emil Capital. The consent letter will continue to have the OCEDC as subordinate to any security interests. Michael Wojcik explained to the Board that in the original loan documents, there is a clause that if the company incurs a single debt greater than \$500K, then they must get the OCEDC's approval.

Karen Springmeier made a motion to approve the loan from Emil Capital. Joe Bridgeford seconded the motion. Motion unanimously carried.

NEW BUSINESS:

Irish Mafia Brewing Co.: Rob Sollenne reported that the OCEDC Finance Committee did not recommend the loan to Irish Mafia Brewing Company. Three major factors led them to come to the conclusion; lack of sufficient collateral, insufficient capitalization resulting in negative cash flow, and the project was inconsistent with OCEDC's strategic plan. A brief discussion took place concerning the proposed project.

Dan Marshal made a motion to disapprove the loan to Irish Mafia Brewing Co. Kevin Hill seconded the motion. Motion unanimously carried.

ADMINISTRATION:

December 20, 2016 Minutes: Rob Sollenne presented the December 20, 2016 minutes for approval.

Walt Matyjas motioned to approve the December 20, 2016 minutes. Joe Bridgeford seconded the motion. Motion carried..

Report from Workforce Development: Kathy Bailey reviewed the report for the use of the 2016 funding to Workforce Development.

Karen Springmeier made a motion to approve the transfer of budgeted workforce development funds to the County's Workforce Development office in the amount of \$20,000. Fred Lightfoote seconded the motion. Motion unanimously carried.

Ratify Young Lion Brewery electronic vote: Rob Sollenne reported that there was an electronic vote to advance money on the loan prior to them having all licenses to be operational. The original conditions of the loan were contingent upon the Borrower obtaining all permits and licenses necessary to conduct business. However, Young Lion Brewery could not get its liquor/operation license from the State until they have proof that the premises were fully constructed, financed and ready to open. The loan is necessary to have the brewery open. The electronic vote was reported in favor of waiving the "permits and licenses" condition with eight Board members responding in favor of.

Dan Marshall made a motion to accept and ratify the electronic vote in favor of waiving the licenses/permits that were to be obtained prior to closing. Walt Matyjas seconded the motion. Motion unanimously carried.

Billing Report: Melissa Doyle reviewed the December Billing Report. She noted there will be two separate reports because of the GAIN funds for the added report.

Annual Board Survey: Michael Wojcik reminded the Board to complete the Annual Board Survey.

Invoices for payment: Michael Wojcik reviewed and submitted the invoices for payment for approval, which included ten invoices totaling \$4,082.82. Dan Marshall noted one error; he declined mileage because he drives a company vehicle and should not be paid mileage. He asked a change be made to remove his mileage payment.

Dave Bunnell motioned to approve the invoices for payment for nine invoices, with the removal of Dan Marshall's mileage totaling \$3,946.34. Jodi Earle seconded the motion. Motion unanimously carried.

Rob Solenne noted the next Board meeting will be on February 21, 2017.

Michael Wojcik noted the pre-audit numbers of the budget.

ADJOURNMENT:

Karen Springmeier made the motion to adjourn the meeting at 9:09am. Fred Lightfoote seconded the motion. Motion carried.

Respectfully submitted,

Diane Foster

Staff