

IDA

**CONFERENCE ROOM
LAKE PLEASANT, NY**

APRIL 8, 2015

The meeting was called to order by Chairman Towers at 2:30 P.M. with the following members present:

Brian Towers, Chairman
William Faro
Robin Morrison
Robert Peck
James Bateman

Absent:
William Farber, Vice Chairman
Tim Pine

Also Present:
Bill Osborne, Interim Executive Director
Laura Abrams, Secretary
Christy Wilt
Rachel Pohl
Pete Klein, Press

Minutes:
Mr. Morrison made a motion to accept the minutes of the January 14, 2015 meeting. Seconded by Mr. Faro. Carried.

Financial Report:
The Board reviewed the financials that were handed out.
Motion to accept the finance report by Mr. Faro, seconded by Mr. Peck. Carried.

Auditors Report:
Mr. Osborne reported that this is the annual report of the IDA, audited by BST. He is pleased to report that there were no issues.

Payment of Bills:	
Black River Bookkeeping	\$100.00
Rose & Kiernan	\$1,211.00
Port Jackson Media	\$7.32
Jim Bateman (mileage)	\$57.50
Bill Faro (mileage)	\$72.45
Robin Morrison (mileage)	\$34.50

Motion to pay bills as audited by Mr. Bateman, seconded by Mr. Morrison.

Mr. Osborne pointed out that the \$1,211.00 to Rose & Kiernan is liability insurance on the three lots that the IDA owns. Motion carried.

Loan Application:

The Chairman introduced Rachel Pohl, the loan applicant. Ms. Pohl explained that she is here on behalf of Rachel's Adirondack Specialty Products, which is the business she formed in October. Her number one product is Rachel's Raquette Lake Elixir Bloody Mary Mix. This is her non-alcoholic mix. She currently sells it to grocery stores, bars, restaurants, drug stores, convenience stores, gift shops and trading posts throughout the Adirondacks and beyond. She has two NY beer distributors that carry it in ten local counties. She also has a large beer distributor based in Everett, MA who will be distributing it throughout Massachusetts; they are launching that at the end of April. She decided to go with the beer distributors because they are the ones that get into, not only the mom and pop grocery stores but also the corporate chain accounts, which is an ultimate goal. Right now she is authorized for all twenty Kinney Drugs, which is her first corporate account, for the ten counties and she is applying for authorizations for Tops, Price Chopper, Stewarts, Fastrac and Hannaford. These two local NYS beer distributors have her mix already in over one hundred accounts. The reason she is applying for the loan is because of the production requirement to produce her exact mix with the addition of 1% neutral grain spirit. For the 1% alcohol she is choosing to use a neutral grain spirit base to provide that alcohol, that is what it takes to be able to sell it to NYS liquor stores. Her non-alcoholic can only be sold in the stores that she listed; the 1% can only be sold in liquor stores, bars and restaurant. So the bars and restaurants are the only place that the non-alcoholic and the 1% can overlap. Since she filled out the application she has gotten a commitment from a distributor that will sell her 1%. She chose to go with a liquor distributor over a beer distributor because they are the ones that are comfortable going into the liquor stores. She chose Opici Family Distributors, which is the third largest wine and spirit distributor in NYS. They have agreed to take on the mix as soon as she produces. They will be launching at the beginning of the summer. They have never carried a bloody mary mix, they do carry other mixers as long as they have at least 1% alcohol, but they do sell a high end bacon vodka. When they go to liquor stores or bars selling this bacon vodka saying how good it would be with bloody mary mix, they never had one to sell with the vodka, now they will. Opici specializes in specialty high end products, so this will fit right in. Opici Family Distributors covers 46 counties north of Westchester County as part of their north country region, with over 860 liquor stores. Ms. Pohl continued to discuss the market for the bloody mary mix.

Mr. Bateman asked, this is for inventory, if you get the loan and buy your 2,000 cases, are you self-sustaining after that. Ms. Pohl stated yes, that is what it will take, that first production run.

The Chairman asked Ms. Pohl if she is the full time employee. Ms. Pohl stated that yes, she is the full time employee, the goal is to get bigger and in the future she can definitely see herself employing more people.

Motion to enter Executive Session to discuss the specific finances of the application by Mr. Peck, seconded by Mr. Faro. Carried.

Motion to open session by Mr. Morrison, seconded by Mr. Bateman. Carried.

The Chairman reported that while in closed session the Board discussed the specific finances of Ms. Pohl, no action was taken.

Mr. Osborne proposed that the Board agree to loan Rachel's Adirondack Specialty Products \$50,000, which can be up to \$70,000 should the need arise, for a ten year period at 2%. This loan will be made utilizing the USDA funds that the IDA administers, in that there is no immediate job creation for this particular loan and jobs are proposed for the future; the USDA funds do not have that immediate job creation requirement. Contingencies on the loan are collateral and life insurance on the life of Rachel Pohl with the Hamilton County IDA named as beneficiary. Mr. Peck made a motion to approve said loan, seconded by Mr. Bateman. Carried.

The Chairman complimented Ms. Pohl on her presentation and wished her the best of luck.

Ms. Pohl left at this time.

Ms. Wilt stated that the Adirondack Rafting Co. has reached the end of their ten year loan with the last two years forgiven. The original loan was for \$20,000. Mr. Faro made a motion to forgive the last two years of the loan for Adirondack Rafting Co., seconded by Mr. Morrison. Carried.

Ms. Wilt reviewed a draft letter that she has written that she will send out to people that have gotten their business license in hopes of recruiting new businesses to our program. Everyone thought it was a great idea.

Ms. Wilt stated that she received two quotes for the property appraisal. One was from Tom Orr of Orr Appraisal Service and the other from Douglas Chamberlain Jr. of Whittaker Appraisal Group, Inc. The quote from Orr Appraisal Service is for \$1,100.00 and the quote from Whittaker Appraisal Group is for \$275.00 per parcel (3 parcels). The Board reviewed the quotes.

Mr. Osborne explained the new contract that Hamilton County has entered into with the Essex County IDA and how that will fit in with the IDA.

Mr. Faro made a motion to hire the low quote, Whittaker Appraisal Group for \$275.00 per parcel for three parcels. Seconded by Mr. Peck. Carried.

New Business:

Mr. Osborne wished everyone the best and stated that he has enjoyed working with everyone and thanked them for all of their support. He is really comfortable that the IDA has a great support team in the Essex County IDA for Christy.

The Chairman stated that they were delighted that Mr. Osborne could come back for this short stint. The IDA appreciates everything he has done. Mr. Faro presented Mr. Osborne with a golf glove as an extension of the helping hand he has given to the people of Hamilton County.

The Chairman explained that currently the signatories for the IDA are himself, Mr. Farber and Mr. Faro. Since Mr. Faro is also the Treasurer we need to name a different signatory. Mr. Peck made a motion to name Mr. Morrison as the third signatory, seconded by Mr. Bateman. Carried.

As there was no further business, motion to adjourn by Mr. Peck, seconded by Mr. Faro. Carried.