

WHEATFIELD LOCAL DEVELOPMENT CORPORATION

Minutes

Jan 17, 2017 6:30 pm

Wheatfield Senior Center

Call to order time: 6:33 pm

Attendance listing: Larry Helwig, Larry Witul, Vic Montalbo, Bill Wagner

Richard Muscatello, Bob Cliffe, Dawn Gilliam, Attorney O'Toole and Chuck Bell

1. Minutes from 11/30/16 Meeting (Wagner)

Motion: Vic Montalbo, 2nd by Larry Helwig: Carried: 6 / 0

2. Finance Committee update (V Montalbo)

Committee of Larry, Larry, Bill & Vic met on 12/21/16. They Discussed the Paris form which was presented to the Board.

Motion to approve form with change: Larry W, 2nd Larry H
Carried: 6/0

3. Jacobs Ladder updates/next steps: led by Chuck Bell

- The loan has closed
- It is out of Economic Development into Finance Dept
- Town should receive \$94,500 in funds in 5 to 10 days
- Town must transfer to LDC within 5 days
- LDC can then issue appropriate payment to Jacobs
- \$4,500 will be for LDC operations

Chuck then mentioned that H.Sichermann has gone beyond \$3,000. They will put in a report justifying additional costs per contract.

4. Big Thunder Brewing Inc: led by Chuck Bell

- Brewery, one of the buildings inside the Summit Mall
- Max we can apply for is \$750,000, based on jobs & size of project
- Total budget is likely \$4 million
- 18 F.T. Equivalent jobs in Production
- 54 F.T.E. in the full project
- For project, plan on \$15,000 per F.T.E.
- Client wishes to start work in April 2017
- Brewery has distribution contacts in discussion phase
- Working with NCCC as a teaching location
- Sichermann now working for Big Thunder; led to discussion where Sichermann would work for LDC, LDC will get paid by client
- Chuck recommends 50/50 split between term loan and deferred loan, \$734,000 to brewery divided by 2, with \$16,000 for admin
- Term Loan at 3% Interest yields \$80K per year to LDC, unrestricted

One Member questioned this as a contract for “retail” business. He feels there should be the term loan, repaid on the go, plus a balloon payment of the deferred loan. Free money for 7 years, but repaid.

Chuck will have to discuss this with Mr. Sichermann, then client

Led to discussion about risk to LDC; what happens if bankruptcy occurs? Chuck says that payments from OCR only happen after requirements are met, and OCR will not recall loans for bankruptcy.

Several felt we needed more info and should meet with client before the Town Board meeting on Jan. 23rd. Chairman Wagner to arrange.

Chuck will call OCR about possibility of a balloon payment.

5. Further discussion whether Sichermann should work for LDC, or client?
Bob C felt that we needed Chuck working for us, protecting us. Nothing yet determined. Bobbi O and Chuck will work on format of agreement.

6. 2017 LDC Priorities (from email on 1/2/17)

Motion to table this discussion: Bill, 2nd by Vic Montalbo: 6/0

Motion to Adjourn: Richard Muscatello, 2nd Vic Montalbo, Carried, 6/0

Adjourned at 8:09 pm with no new meeting date set

Approved: Feb. 8, 2017

Respectfully submitted, Jan. 23, 2017

Robert B. Cliffe - Secretary