



LAKE CHAMPLAIN-LAKE GEORGE

# REGIONAL PLANNING

BETH GILLES  
*DIRECTOR*

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## REVOLVING LOAN FUND LOAN ADMINISTRATIVE COMMITTEE

Special Meeting

September 12, 2022 1:00 pm

Physical Address:

LCLGRPB Offices

1 Lower Amherst Street, Lake George, NY 12845

Online Option: Zoom

For log-in information, please contact Beth Gilles at [beth.gilles@lclgrpb.org](mailto:beth.gilles@lclgrpb.org)

### AGENDA

1. Welcome
2. Approval of minutes from July 21, 2022, meeting
3. The Gem Bar and Kitchen and Little Gem Liquors loan application
4. Other
5. Adjourn

Ms. Gilles welcomed everyone to the loan committee meeting on September 12, 2022, at 1:19 pm.

### MEMBERS PRESENT

Christy Wilt

Paul Hamilton

Carol Calabrese

Chris Hay

### MEMBERS ABSENT

Marc Monahan

Marc Yrsha

Juan Gonzales

### ALSO PRESENT

Beth Gilles, LCLGRPB

Dave O'Brien, LCLGRPB



APPROVAL OF MINUTES FROM JULY 21, 2022, MEETING

Ms. Gilles requested a motion to approve minutes from the July 21, 2022 meeting.

Motion by Mr. Hamilton.

Seconded by Mr. Hay.

Hearing no further discussion and no corrections, or any opposed, motion carries.

THE GEM BAR AND KITCHEN AND LITTLE GEM LIQUORS LOAN APPLICATION

Ms. Gilles reviewed The Gem Bar & Kitchen and Little Gem Liquors loan package that was emailed to the committee. The businesses are in Bolton Landing, Warren County. The owners are seeking \$200,000 for working capital. This loan is a partner loan with Glens Falls National Bank. The loan will be provided to Partners Are For Dancing, LLC, which is the real estate holding company. Corporate guarantees will be provided by the other two separate operating entities, Tall Boys Hospitality, LLC and Little Gem Liquors, LLC. The liquor store opened in 2021. GFNB will be 1<sup>st</sup> position and LCLGRP will be 2<sup>nd</sup> position on the real estate for collateral. Ms. Gilles stated that she will ask the owner when the appraisal will be complete, which is estimated to return at \$1,000,000. The machinery and equipment have no current UCC's attached. The owners also have other successful businesses. Ms. Gilles stated the conditions of the loan depends on the appraisal returning at \$1,000,000 and the approval and closing of the \$600,000 loan with GFNB. Ms. Gilles asked for questions from the committee before she enters the owner, Ms. Keck. Mr. Hay asked what the funds will specifically be used for and what equity would be available after both loans are granted. He also commented on the length of the loan. Ms. Gilles replied that the properties have been bought and renovated. The capital from GFNB would pay off the existing mortgage. The loan from LCLGRP would be for working capital. Ms. Gilles also stated that the committee could reduce the requested 15-year term to 5-10 years, which is more typical for a working capital loan. Mr. Hay had additional questions pertaining to the conditions of the loan from LCLGRP regarding funding to the GFNB loan. Ms. Gilles stated that LCLGRP loan has no bearing on the GFNB loan.

Ms. Gilles entered Ms. Keck into the meeting. Ms. Keck explained the project. They purchased the building in 2020 for \$330,000 and have been doing continuous renovations. Ms. Keck and her partners also bought out the liquor store license from the previous owners. Little Gem Liquors opened in 2021 and The Gem Bar & Kitchen opened in the end of June 2022. Ms. Keck also explained the history with her partners and their other businesses. Ms. Keck also explained why she and her partners choose Bolton Landing for their next venture. She stated that Partners Are For Dancing, LLC is the real estate holding company, Tall Boys Hospitality, LLC, and Little Gem Liquors, LLC rent from Partners Are For Dancing. The building does have rental property that are currently rented. She also stated that they have received positive press which caused revenues to increase.

Mr. Hay acknowledge their accomplishments and questioned Ms. Keck on the overall costs of the project. Ms. Keck replied they renovated the liquor store ahead of schedule and continued renovating



the restaurant totaling approximately \$1,200,000 not including the price of the building. Mr. Hay also asked what the working capital funds will be used for and why a 15-year term. Ms. Keck replied that it will be for inventory and labor, and expansion of current services. She stated that the 15-year term is for additional options on repayment. Mr. Hay questioned Ms. Keck on the financials. Ms. Keck replied that she would consult with their accountants and get back to the committee. She also said that all shifts were not opened the 1<sup>st</sup> season, which reflects in the current financials. Ms. Gilles questioned Ms. Keck if the appraisal has come in. Ms. Keck stated that it will be here by Friday, September 16, 2022. Ms. Gilles exited Ms. Keck from the meeting. The committee discussed financials and terms, and determined they are more comfortable with \$150,000 for a 10-year term.

Ms. Gilles asked for a motion to approve a \$150,000 working capital loan to Partners Are For Dancing, LLC, under the Small Business Loan Fund at 5%, first six-months interest-only, term of 10 years, collateral is a 2<sup>nd</sup> mortgage on 4983 Lake Shore Drive, Bolton Landing, corporate guarantees from Tall Boys Hospitality, LLC and Little Gem Liquors, LLC., and personal guarantees from Patricia Boccato, Richard Boccato, Kristen Keck, and William Farmer. Conditions are, (1) appraisal returns at \$1,000,000, (2) GFNB approves and closes \$600,000 loan, and (3) the owners provide LCLGRPB with updated financial projections that are satisfactory to the Loan Committee.

Motion by Mr. Hay.

Seconded by Mr. Hamilton.

Hearing no further discussion or any opposed, motion carried.

#### OTHER

Ms. Gilles reviewed the details of the loan given to Adirondack Winery in October 2021. She was contacted by the SBA asking to subordinate the LCLGRPB's UCC position. After discussion with the SBA lawyer and Glens Falls National Bank, she found that there is no additional funding being provided, the SBA is taking on part of the existing debt from GFNB. Therefore, the LCLGRPB is not technically in a reduced position with a subordinated lien to the SBA.

After discussion, Mr. Hay made a motion to approve subordination of the LCLGRPB's UCC position to the SBA on the Adirondack Winery loan.

Seconded by Mr. Hamilton.

Hearing no further discussion or any opposed, motion carried.

Ms. Gilles reviewed the details of the loan given to Lake Motel. GFNB is providing the owners with additional loan funding and asked that the LCLGRPB subordinate its mortgage lien to include the new loan amount. A new appraisal values the property at \$4.8M. The GFNB loan is \$2.256M and the RPB loan is \$150,000. Even with the subordination, there is more than enough equity to cover the LCLGRPB loan. After committee



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discussion, Ms. Gilles asked for a motion to approve to subordinate to GFNB loan for Lake Motel.

Motion by Mr. Hay.

Seconded by Mr. Hamilton.

Hearing no further discussion or any opposed, motion carried.

Ms. Gilles discussed possible future dates for LCLGRPB Quarterly meeting.

## ADJOURN

With no further discussion, meeting adjourned at 2:02 pm.

*Respectfully submitted by Lisa Bessette, Administrative Assistant, LCLGRPB.*