



*Green River Area Development District*

**GREEN RIVER ECONOMIC DEVELOPMENT CORPORATION**

**BOARD OF DIRECTORS' MEETING**

300 GRADD Way  
Owensboro, Kentucky  
42301-0200

**GRADD.COM**

August 2, 2023

M-I-N-U-T-E-S

The Board of Directors of the Green River Economic Development Corporation (EDC) met on Wednesday, August 2, 2023, at 8:30 a.m. at the GRADD Office. The following were in attendance:

**MEMBERS PRESENT**

Tammy Belt  
Katie Peak  
Chad Gregory  
Kim Humphrey  
Andy Rideout  
Marty Shephard

Barbara Howard  
Greg Collins  
Brad Davis  
Melissa Coker  
Monte Davenport

**MEMBERS ABSENT**

\*Whitney Risley  
\*Tina Snyder  
\*Brandon Gentry  
\*Sandy Dant  
\*Christina Carpenter

Will McDowell  
Rachel Yarbrough  
Jim Davis  
Miranda Robertson

**GUESTS AND STAFF PRESENT**

Charlie Castlen, Daviess County Fiscal Court  
Joanna Shake, GRADD  
Mariah Myres, GRADD  
Beth Ferguson, GRADD  
Dana Garrett, GRADD  
Therese Payne, GRADD

**\*Excused Absence**

**Steve Henry**, Chairman | **Adam O'Nan**, Vice Chairman | **Johnny "Chic" Roberts**, Secretary | **Curtis Dame**, Treasurer | **Joanna Shake**, Executive Director



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*Serving the Municipal and County Governments of Daviess, Hancock, Henderson, McLean, Ohio, Union, & Webster*



I. CALL TO ORDER

Chairperson Tammy Belt called the meeting to order at 8:33 a.m. She welcomed new member Marty Shephard and asked him to introduce himself to the Corporation. All those present introduced themselves to him.

II. CONSIDERATION OF MINUTES

The minutes of the June 7, 2023, Green River Economic Development Corporation meeting were presented for approval.

A motion was made by Brad Davis and seconded by Andy Rideout to approve the minutes of the June 7, 2023, Green River Economic Development Corporation meeting. A vote was taken and the motion carried.

III. OLD BUSINESS

A. Loan Report

Joanna Shake provided the loan report. Ms. Shake reviewed the loans in delinquency and default.

- Serene Relief Wellness is 609 days past due, owing \$9,373.12. Borrower has been turned over to GRADD attorney for collection. Staff has been in communication with GRADD attorney and will notify the EDC when there are any significant changes.
- Burkins Financial Group is 578 days past due, owing \$6,203.37. Borrower has been turned over to GRADD attorney for collection.
- iArt Studios is 519 days past due, owing \$7,960.84. Borrower was sent a default letter on August 1, 2023 and has ten days to respond.
- Hot Mess Mama Boutique is 488 days past due, owing \$3,182.51. Borrower has been turned over to attorney for collection.
- A Keen Sense of Clean is 366 days past due, owing \$3,806.43. GRADD attorney is monitoring bankruptcy proceedings and will advise RLF staff on next steps when necessary.
- Grime Stoppers is 182 days past due, owing \$3,077.83. Default letter was sent to borrower May 22, 2023, via email. A check in the amount of \$1,000 was received on June 28, 2023, but no other correspondence has been received.
- 54 Cosmetics is 213 days past due, owing \$1,968.98. No payments have been made on this loan. Staff conducted a site visit on July 28, 2023.

Borrower stated she had experienced health and financial troubles over the past several months, but the business is still active. Staff instructed borrower to send an email detailing issues that have prevented payment on this loan for the past seven months, as well as to make a payment by Monday, July 31, 2023. Nothing has been received.

- Dear Valley Enterprises is 123 days past due, owing \$8,320.82. Borrower has committed to resume monthly payments and pay an additional \$1,000 per month until account is current. One payment was received on July 5, 2023, per the terms of the payment plan. Attempts to contact borrower in the past two months have been unsuccessful.
- Cinema 33 is 93 days past due, owing \$2,061.88. Staff spoke with borrower via phone on July 28, 2023, and borrower stated he will bring account current.

Traditional RFL funds available for lending are \$2,654,430.21. CARES RLF funds available for lending are \$566,085.98

B. Loan Defaults

There are no loans to act on currently.

IV. NEW BUSINESS

A. Mine System Solutions

Greg Collins presented an EDA CARES loan request on behalf of Mine System Solutions. The project would create 11 full-time jobs over the first two years. Jonathan Beaven was present to give an overview of the business.

Loan Amount: \$250,000

Purpose of the Loan: Equipment

Term: 7 years

Interest Rate: Initial rate of 4.5%; rate will adjust annually throughout the life of the loan based on the money center prime rate quoted in the *Wall Street Journal* on January 1<sup>st</sup>. The interest rate will be four (4) percentage points below prime; in no event shall the interest rate be less than the lower of four (4) percent or 75 percent of prime.

Collateral: 1<sup>st</sup> lien on equipment and personal guarantees of Jonathan Beaven, William F. Beaven, and Brody Cameron.

**Additional Requirements:** Funding is contingent on there being no material adverse change in the a) financial condition of the borrower or guarantor; b) the value of the collateral; or c) the general business operations of the guarantor, between the date of this commitment and the date of the loan closing.

Borrower is responsible to maintain proper insurances, including applicable hazard insurances.

Borrower must comply with all applicable laws and regulations.

Borrower is responsible to pay all closing costs, including but not limited to the following: legal expenses, recording fees, etc.

**Special Provisions:** Loan subject to Economic Development Administration (EDA) guidelines.

A motion was made by Greg Collins and seconded by Katie Peak to approve Mine System Solutions EDA CARES RLF loan, in the amount of \$250,000.  
A vote was taken and the motion carried.

**B. EDA Reporting Update**

Mariah Myres, GRADD Director of Finance and Human Resources, shared all loans must be reported to the Economic Development Administration (EDA). GRADD's semi-annual report was submitted July 20, 2023. In this report, GRADD provided an updated loan list with principal and interest paid to date, as well as each loan's status. GRADD reported 13 delinquent loans, one write-off loan, and three fully repaid loans. The remaining 36 loans were reported as current.

EDA holds GRADD to an allowable cash percentage (ACP) of 18 percent. Unfortunately, GRADD ended the half with an ACP of 21.27 percent. To avoid this issue in the future, staff are developing a tool to forecast the percentage month to month to project a lending target going forward.

**C. Community Economic Development Strategy (CEDS) Update**

Dana Garrett, GRADD Community Development Planner, shared the CEDS is due for an update from the 2022 rewrite completed last year. This update needs to show the

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progress made toward the goals outlined in the rewrite, including workforce, broadband, adequate housing, infrastructure improvements, and attracting new industry.

The Economic Development Administration (EDA) has released new guidelines for the 2023 CEDS to include sections emphasizing climate resiliency and equity in our region and how GRADD advances these issues.

Meetings with four of the seven county judge/executives have been conducted to discuss progress in their counties and what their counties still need. The other three county judge/executive meetings are scheduled.

Ms. Garrett stressed the highlights she has already learned from her meetings which include the City of Owensboro receiving a 468 grant to reduce its carbon footprint; great strides in broadband across the region; Pratt development in Henderson; distilleries in Hancock and Ohio counties; and park developments in both Union and Webster counties.

Ms. Garrett stated the update is due December 1, 2023, and welcomed any comments or suggestions, particularly any input on the progress made within our region and how to approach climate resiliency and equity.

V. OTHER BUSINESS

None

VI. ADJOURNMENT

With no further business to discuss, the meeting adjourned at 9:21 a.m.

/tp

  
Chair

## Loan Summary

### Miner's Bucket

<b>Applicant:</b>	Acts of Kindness LLC (DBA Miner's Bucket)
<b>Contact Person:</b>	Brandy Patterson   270-952-3982   <a href="mailto:ilpbmp@roadrunner.com">ilpbmp@roadrunner.com</a>
<b>Loan Amount Requested:</b>	\$80,498
<b>Use of Funds:</b>	Equipment, Inventory & Working Capital
<b>Term of Loan:</b>	7 years
<b>Loan Rate:</b>	Initial rate of 4.5%; rate will adjust annually throughout the life of the loan based on the money center prime rate quoted in the Wall Street Journal on January 1st. The interest rate will be four (4) percentage points below prime; in no event shall the interest rate be less than the lower of four (4) percent or 75 percent of prime.
<b>Jobs Created/Retained</b>	9 FTE (3 FT and 12 PT)
<b>Total Projected Cost:</b>	\$89,498
<b>Collateral:</b>	Collateral Position on Life Insurance Policy

#### Source and Use of Funds

CARES RLF	\$80,498
Owner's Equity	\$9,000

#### Company Overview

Miner's Bucket is a restaurant concept that specializes in serving home-cooked meals catered to the mining community in Union County. The restaurant will open at 5 am, ensuring that miners can start their day off right with a hearty breakfast before heading to work. In addition to dine-in options, they will also provide ready-to-go meals that can easily be packed into a lunch pail or lunch box.

#### Project Description

Brandy Patterson is the Kitchen Manager for Izzy's Italian Ristorante in Morganfield, KY and is working to open a new restaurant concept in the space currently being operated as Izzy's. The current owner of Izzy's, Maria "Josie" Watson, is closing her restaurant effective 9/23/23 and has agreed to lease the restaurant space to Brandy so she can open Miner's Bucket. Brandy is purchasing remaining inventory from Izzy's and has entered into an agreement with Josie to lease the building and existing restaurant equipment for three years beginning 12/1/23. Revolving Loan Fund (RLF) funds will be used to purchase equipment to update the restaurant to a buffet style, initial inventory, and working capital for six weeks of operation. The target date to open Miner's Bucket is early to mid-January 2024.





## Loan Summary

### O'Bryan's Bar and Grill

<b>Applicant:</b>	OPR Investments LLC (Sarah Robinson, Michael Powers, Spencer Ott)
<b>Contact Person:</b>	Sarah Robinson   270-925-9090   <a href="mailto:haras.eirame@icloud.com">haras.eirame@icloud.com</a>
<b>Loan Amount Requested:</b>	\$250,000
<b>Use of Funds:</b>	Building Purchase
<b>Term of Loan:</b>	15 years
<b>Loan Rate:</b>	Initial rate of 4.5%; rate will adjust annually throughout the life of the loan based on the money center prime rate quoted in the Wall Street Journal on January 1st. The interest rate will be four (4) percentage points below prime; in no event shall the interest rate be less than the lower of four (4) percent or 75 percent of prime.
<b>Jobs Created/Retained</b>	10 FTE retained (4 FT and 12 PT)
<b>Total Projected Cost:</b>	\$ 300,000
<b>Collateral:</b>	Commercial mortgage on property being purchased

#### Source and Use of Funds

<b>CARES RLF</b>	\$250,000
<b>Personal Loan</b>	\$20,000
<b>Owner's' Equity</b>	\$30,000

#### Company Overview

O'Bryan's Bar & Grill was established in 1948 and has evolved into a staple for west Daviess County as a restaurant by day and bar by night. The restaurant has passed among several owners in its history and continues to be a cornerstone of the local community.

#### Project Description

Alex Hamilton is the current owner of O'Bryan's and has recently purchased another small business in Owensboro and is unable to effectively manage day to day operations of the restaurant and has been unsuccessful in his attempts to hire a restaurant manager. Alex approached Sarah Robinson, who has worked at O'Bryan's for eight years under multiple owners, about managing the restaurant and Sarah countered with an offer to purchase the business. Alex and Sarah (along with her brothers) have entered into an agreement to sell the business for a total price of \$300,000. Revolving Loan Fund (RLF) funds will be used to finance the building purchase and will be secured by a commercial mortgage on the property.



## Loan Summary

### Tristate Pizza

<b>Applicant:</b>	Tristate Pizza, LLC (Sean Byrne, Jennifer Byrne, Mark Riney, Liane Riney)
<b>Contact Person:</b>	Sean Byrne   270-302-3103   <a href="mailto:seanbyrne1887@gmail.com">seanbyrne1887@gmail.com</a>
<b>Loan Amount Requested:</b>	\$50,000
<b>Use of Funds:</b>	Working Capital
<b>Term of Loan:</b>	5 years
<b>Loan Rate:</b>	Initial rate of 4.5%; rate will adjust annually throughout the life of the loan based on the money center prime rate quoted in the Wall Street Journal on January 1st. The interest rate will be four (4) percentage points below prime; in no event shall the interest rate be less than the lower of four (4) percent or 75 percent of prime.
<b>Jobs Created/Retained</b>	24 FTE (19 FT, 11PT)
<b>Total Projected Cost:</b>	\$592,454
<b>Collateral:</b>	UCC

#### Source and Use of Funds

CARES RLF	\$50,000
Old National Bank	\$240,222
Lease	\$222,157
Owner's Equity	\$80,075

#### Company Overview

Tristate Pizza has acquired the Tristate DMA territory for the purpose of franchising Donatos Pizza. This project is the 2<sup>nd</sup> location opened in Owensboro, KY to serve the east side of town.

#### Project Description

Sean Byrne, along with his fellow owners, opened the first Donatos location in Owensboro in 2017 and has experienced steady growth over the last six years. The second location operating on the east side of Owensboro opened in August 2023 and is the third Donatos location to open in the Tristate DMA territory, fulfilling the requirements of the franchise agreement. Training of management and restaurant staff necessary before the new location opened required significant financial resources and has severely impacted cashflow for the business. Revolving Loan Fund (RLF) funds will supply a working capital injection to the business to ensure it has necessary cashflow to thrive in the first quarter after opening.

