



Think Progress. Think Tomorrow. Think GRADD.

GREEN RIVER ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS' MEETING

September 5, 2018

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

The Board of Directors of the Green River Economic Development Corporation (EDC) met on Wednesday, September 5, 2018, at 8:30 a.m., at the Green River Area Development District (GRADD) office, in Owensboro, Kentucky. The following persons were in attendance:

MEMBERS PRESENT

Tammy Belt
Mike Baker
Melissa Coker
Matt Wright

Chad Gregory
Monte Davenport
Deborah Gray
Donna Crooks

Chase Vincent
Phillip Holt
Doug Bell

MEMBERS ABSENT

*Wayne Hughes
*Sandy Dant
*Kim Logsdon

*Newman Brown
*Andy Miller
Greg Collins

Carol Robertson
Frank Martin

GUESTS AND STAFF PRESENT

Lindsey Embry, Rockhouse on the River
David Osborn, Rockhouse on the River
Christy Osborn, Rockhouse on the River
Joanna Shake, GRADD
Skyler Stewart, GRADD

I. CALL TO ORDER

Chairperson Tammy Belt called the meeting to order at 8:30 a.m., and welcomed everyone. It was noted that a quorum was present.

*Excused Absence

Kelly Thurman, Chairman ■ David Johnston, Vice Chairman ■ Brad Schneider, Secretary ■ Al Mattingly, Jr., Treasurer ■ Jiten Shah, Executive Director

II. CONSIDERATION OF MINUTES

The minutes of the August 1, 2018, Green River Economic Development Corporation meeting were presented for approval.

A motion was made by Deborah Gray and seconded by Chase Vincent to approve the minutes of the August 1, 2018, Green River Economic Development Corporation meeting. A vote was taken and the motion carried.

III. OLD BUSINESS

A. Loan Report

Joanna Shake referred everyone to the handout of active loans. She announced the BFD Enterprises loan closing is complete and Baker Family Chiropractic will close on September 7, 2018. Ms. Shake explained that as of meeting time there is approximately \$1,400,000 in the Revolving Loan Fund (RLF) program and \$109,000 in the Intermediary Relending Program (IRP). She noted all loans are current even though on the report it shows Beaver Dam Café and TAMKE are delinquent. These are both \$25 late charges from previous late payments.

IV. NEW BUSINESS

A. Rockhouse on the River RLF Application

Joanna Shake presented a loan application on behalf of Rockhouse on the River. The owners were present and spoke on behalf of their business.

Loan Amount:	\$150,000.00
Purpose of the Loan:	Working Capital and Equipment
Term:	7 Years
Interest Rate:	New York Prime Rate, as published in the Wall Street Journal, minus four percent or 75 percent of prime, adjusted annually on the first business day of January. The rate was established at 3.38 percent at the time of the application. Interest will be compounded monthly.
Collateral Position:	2 nd position lien on property; and Personal guarantees of David Osborn, Julia “Christy” Osborn, and Lindsey C. Embry.

The following items should be submitted as soon as possible so the loan documents can be prepared in a timely manner:

1. Deed of property to be used as collateral; and
2. A signed letter certifying that full project funding was not available from a local financial institution.

Additional Requirements: This loan is subject to the company securing all other sources of funding outlined in the loan application or providing alternative funding in an equal amount.

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 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: application fee, legal expenses, recording fees, etc.

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

A motion was made by Chase Vincent and seconded by Deborah Gray to accept this loan upon GRADD approval.
A vote was taken and the motion carried.

B. EDA Corrective Action Plan (CAP)

Joanna Shake moved on to discuss the Corrective Action Plan that was approved by Tom Pellegrino of EDA. Ms. Shake announced that the EDA report card for the Green River RLF was located in the meeting packet. She mentioned that EDA prefers for revolving loan funds to lend at least 25 percent of their total held, which would require \$750,000 to be loaned out from the Green River ADD by June 2019. Staff is in the process of producing a marketing plan to reach out to potential entrepreneurs, banks, and chambers to advertise for the GRADD RLF.

C. EDA Regulation Amendments

Joanna Shake additionally mentioned that Tom Pellegrino sent an email discussing amendments to RLF plans including the following: requirement of a turn-down letter from a bank, including the clause that the credit is not available under the same terms and conditions offered under the revolving loan fund; expansion of the list of private leverage; and, the amount

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of RLF cash for lending. Ms. Shake stated that Cyndi Isbill of GRADD is incorporating this language into the GRADD RLF Plan.

V. ADJOURNMENT

With no further business to discuss, the meeting adjourned at 9:00 a.m.

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