

THE AGENCY

BROOME COUNTY IDA / LDC

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
June 17, 2020 • 12:00 p.m. • The Agency Conference Room
FIVE South College Drive, Suite 201, 2nd Floor
Binghamton, New York 13905

REVISED AGENDA

1. Call to Order J. Bernardo
2. Approve Transcript – May 20, 2020 Board Meeting J. Bernardo
3. Public Comment J. Bernardo
4. Executive Director’s Report S. Duncan
 - Updates
 - Internal Financial Report – May 31, 2020
5. Loan Activity Reports as of May 31, 2020 T. Gray

New Business

6. Resolution Approving the Extension of the Sales and Use Tax Exemption Agreement for the Broome Culinary Realty, LLC Lease/Leaseback Project from December 29, 2017 Through, and Including December 31, 2020, of which the Total Shall not Exceed \$754,000.00 S. Duncan
7. Resolution Accepting an Application from Piccirilli Properties, LLC and Authorizing a Sales and Use Tax Exemption in an Amount not to Exceed \$7,600.00, as well as a Mortgage Recording Tax Exemption Benefit not to Exceed \$1,500.00, Consistent with the Policies of The Agency in Connection with the Renovation of the Property and Building Located at 75 Travis Avenue, City of Binghamton, Broome County, New York S. Duncan
8. Resolution Authorizing the Executive Director to Execute, on Behalf of The Agency, an Extension of an Option Agreement for the Purchase of Property Located at 4301 Watson Boulevard in the Town of Union, Broome County, New York from IBM Country Club, LLC for an Additional Six Months S. Duncan
9. Resolution Authorizing the Executive Director to Execute all Documents Required by Visions Federal Credit Union for a Consolidation, Modification and Extension Agreement Loan to American Horizons Group, LLC Stacey Duncan
10. Resolution Authorizing a Loan Request from Denise O’Donnell from the STEED Fund Program to Assist her Business with Permanent Working Capital for use at her Place of Business at 86 East Main Street, Norwich, NY and Calvary Drive in Norwich, NY Tom Gray

Old Business

11. Adjournment J. Bernardo

BOARD OF DIRECTORS

AGENDA ITEM #3: A \$10,000 loan request from Denise O'Donnell from the STEED Loan Fund Program to assist her business with permanent working capital for use at her place of business at 86 East Main Street, Norwich, NY and 88 Calvary Drive in Norwich, New York.

INTRODUCTION

Ms. Denise O'Donnell, a sole proprietor beautician, has applied for \$10,000 in financing to assist her with operating and fixed expenses including but not limited to rental costs, business insurance, supplies and license fees resulting from business interruption caused by the Covid pandemic. Uses and sources are as follows:

USES OF PROJECT FUNDS

Working Capital	\$	16,200	(100.0%)
TOTAL PROJECT COST	\$	16,200	(100.0%)

SOURCES OF PROJECT FUNDS

BCIDA STEED	\$	10,000	(61.7%)
SBA EIDL	\$	6,200	(38.3%)
TOTAL PROJECT COST	\$	16,200	(100.0%)

COMPANY PROFILE

Ms. Denise O'Donnell is a beautician who has been in business for 24 years. After operating her business from her home as well as at several well-known hair salons in Norwich, New York she has been at the same locations at 86 East Main Street and 88 Calvary Drive, Norwich, NY for the last 10 years. She offers traditional salon services such as haircutting, styling and coloring and serves both women and men. Ms. O'Donnell provides service two days a week at Norwich Hair Cutting & Styling and two days a week at the Norwich Rehabilitation and Nursing Center. Her business, like others, was forced to shut down in March 2020 due to the COVID-19 virus. Her sales, dependent on foot traffic and face-to-face interaction, evaporated. She is requesting an emergency loan to cover fixed costs, operating expenses and payroll until the economy fully reopens.

JOB CREATION

The total current employment for Ms. O'Donnell's business is 1. The full-time employee will be retained if the financing requested is approved.

ENVIRONMENTAL IMPACT

The applicant believes the project will not have a negative impact on the environment.

CASH AVAILABLE TO SUPPORT EXISTING AND NEW DEBT SERVICE

	FY19
Social Security Disability	\$ 10,500
Net Profit	<u>\$ 3,200</u>
Total Cash Available for Debt Service	\$ 13,700

DEBT SERVICE REQUIREMENTS OF THE PROPOSAL

Existing Community Bank Annual Debt Service Payments.	\$ 3,372
Existing Discover Annual Debt Service Payments	\$ 1,344
Existing Lowes Annual Debt Service Payments.	\$ 1,140
New BCIDA STEED Annual Debt Service Payments	<u>\$ 2,124</u>
TOTAL ANNUAL DEBT SERVICE PAYMENTS	\$ 7,980

RECOMMENDATION

Ms. Denise O'Donnell established her beautician business in 1997. She operates her business at two locations, the Norwich Hair Cutting & Styling Salon, located at 86 East Main Street in Norwich, New York as well as the Norwich Rehabilitation and Nursing Center located at 88 Calvary Drive in Norwich, New York. Her business offers hair cutting, styling, and coloring but also more specialized services such as Deva Cut, Balayage Color and Hair Extensions services to women and men. As a sole proprietor, Ms. O'Donnell subcontracts booth spaces at both facilities. Since Ms. O'Donnell's sales rely primarily on foot traffic and return customers her business has been especially impacted by the shut down resulting from the COVID-19 virus. As a result of this business interruption she is requesting an emergency loan to cover operating costs until the pandemic is totally over. A recent credit report on Ms. O'Donnell indicated a satisfactory credit history; Fair Isaac Score of 652. More importantly, with the new emergency financing request and the SBA assistance, the current 1 full time position will be retained within three

years and her business will be able to fully reopen. Based on this and the information in the previous sections, the ALC and I would recommend a STEED financing commitment under the following terms and conditions.

Borrower: Denise O'Donnell

Loan Amount and Fund: \$10,000 from the STEED Revolving Loan Fund

Term of the Loan: 6 years with year one principal and interest waived

Loan Interest Rate: 75% of the prime rate at the time of closing

Collateral and Security for the Loan: A first security position on all business assets including but not limited to all accounts receivable, machinery and equipment, inventory and intangibles.