



LAKE CHAMPLAIN-LAKE GEORGE

**REGIONAL
PLANNING**

BETH GILLES
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Revolving Loan Fund Loan Administrative Committee

July 11, 2025 at 11:00 am

LCLGRP.B Conference Room: 1 Lower Amherst Street, Lake George NY 12845

Hunt Companies, Inc.: 515A County Route 45, Argyle NY 12809

NBT Bank: 86 Glen Street, Glens Falls NY 12801

260 Lake St. Senior Community Conference Room: 260 Lake Street, Rouses Point NY 12979

AGENDA

1. Welcome
2. Approval of April 4, 2025 Meeting Minutes
3. Four Corners, LLC Loan Application
4. Happy Pikes
5. Loan Balance Report and Portfolio Update
6. Other
7. Adjourn

Ms. Gilles welcomes everyone to the Loan Committee meeting to order at 11:02 AM.

MEMBERS PRESENT

Carol Calabrese (Lake George)
Juan Gonzales (Argyle)
Paul Hamilton (Rouses Point)
Marc Monahan (Glens Falls)

MEMBERS ABSENT

Chris Hay
Christy Wilt
Marc Yrsha



ALSO PRESENT

Beth Gilles (Lake George – LCLGRP)

Kiersten McCane (Lake George – LCLGRP)

Ms. Gilles took roll call and established a quorum.

Approval of April 4, 2025 Meeting Minutes

Ms. Gilles asked for a motion to approve the meeting minutes from April 4, 2025.

Motion made by Mr. Gonzalez.

Seconded by Ms. Hamilton.

Hearing no additions or corrections and no opposed, motion carried.

Four Corners, LLC Loan Application

Ms. Gilles noted for the record that Ms. Wilt has a direct conflict of interest with the applicants of the loan, so she has not been involved in any of the Loan Committee's discussions about this loan. The loan applicants, Sivon and Phillip Collinge, are requesting a loan of \$155,000 to purchase the former Sunrise Diner on Main Street in Speculator, Hamilton County. The Collinge's own a home in Speculator that they currently rent out on Airbnb, while they currently live in Albany, and have been involved in one of the religious camps in Speculator for many years, so they have ties to the Speculator community. They're intending to purchase the property from the current owner and move into their home in Speculator full-time to operate the diner.

In addition to this loan request of \$155,000 to purchase the diner, the Collinge's were expecting to receive \$60,000 in family assistance, which fell through earlier in the week of this meeting. Ms. Gilles suggested that the Adirondack Economic Development Corporation (AEDC) may be of assistance, so the Collinge's requested \$60,000 from the AEDC. By the date of this meeting, the Loan Committee hasn't received confirmation of approval or denial.

Ownership history of the diner includes the current owner who has owned it for 2-3 years, and they bought it from a couple who owned it for 20 years. The current owner has purchased and maintains many other properties in the Speculator area, so he's selling this property to focus on other investments. The diner is one of the only restaurants in Speculator, Hamilton County, and locals seem to enjoy it.

After discussions with the Collinge's, Ms. Gilles briefed the committee that closing costs would partially be paid for by investments the Collinge's are willing to cash out, as well as a \$100,000 life insurance policy that Ms. Collinge's parents have on her. Ms. Collinge would be happy to



provide the Loan Committee with the policy information, so the LCLGRP could take a 1st mortgage on the policy and a 2nd mortgage on their home. Ms. Gilles mentioned when she spoke with AEDC, they may be interested in a blanket lien on business assets, so Ms. Gilles proposed a potential option of filing a co-proportional or co-equal on business assets with AEDC if they approve the loan.

Mr. Monahan reviewed Sivon and Phillip's tax returns for 2024, and pointed out it was their first joint return, while not seeing a Schedule E for real estate they own. Additionally, Mr. Monahan explained he can see a Schedule C for Ms. Collinge's graphic design business, as well as capital gains on a few small items and stocks. Ms. Gilles noted the business name that the rental income is associated with is White Rock Holdings, which wasn't included in the tax return according to Mr. Monahan. There is unknown information related to White Rock Holdings, whether it's a partnership between the Collinge's due to it being on Ms. Collinge's tax return for 2023 and not on the joint tax return.

Ms. Gilles informed the board that due to the Collinge's considerably low offer, the current owner is requesting an accepted offer within 30 days, which would be by July 26, 2025. Mr. Monahan shared concern about this application due to the lack of liquidity in the business plan. The tax assessment market value of the property is \$108,000 and it's unknown when the last reassessment took place, so waiving the assessment is not an option. Ms. Gilles spoke about the Collinge's home, which they bought in 2021 for \$179,000, has a market value of \$260,000, and they owe \$148,000 which is minimal equity. Ms. Calabrese echoed Mr. Monahan's position and explained that with the business currently closed, the additional value of an operating diner is not available. Ms. Monahan explained that with the business currently closed, the closing timeline on the property not taking place until the end of summer, and lack of snow stopping visitors if weather doesn't cooperate, the income won't be as fluid.

The Collinge's entered the zoom meeting at 11:16. Ms. Collinge was speaking with the Board and explained the Mr. Collinge is listening in while he's working in the background.

Ms. Gilles welcomed Ms. Collinge and asked her to introduce herself, tell the Board about her and Mr. Collinge's background, and explain the plan for the diner. Ms. Collinge explained the reason for the loan application, her and her husband's background, and their plan to move forward once they purchase the property. Mr. Gonzales, Board Member and Chief Financial Officer of Hunt Companies, introduced himself and his background as a general contractor for 30 years, as well as one of the small business owner reps on the Loan Committee. Mr. Gonzales began by saying that his questions are to make sure loan applicants are aware of issues they may not have thought of or weren't aware of, and it's the committee's responsibility to do their fiduciary duties to bring flourishing businesses to the community. Mr. Gonzales pointed out the



Collinge's desire to waive a 3rd party inspection, and said as a general contractor, he's seen new owners of commercial buildings do this, and likely lost tens of thousands of dollars due to finding issues after the building had been bought. Mr. Gonzales asked Ms. Collinge if they had any plans to get an inspection done shortly after they purchase the building, and do they have any contingency funds to mitigate some of the issues that may pop up quickly. Ms. Collinge said they weren't initially planning on having the inspection due to the property being renovated recently, they didn't see any noticeable issues during the walk through, Mr. Collinge is very handy with fixing things, and her dad is a contractor, which has been helpful throughout the process. Regarding the funds for potential issues, Ms. Collinge said they've been setting income aside from their Airbnb in Speculator to be spent on this new business venture, along with about \$30,000 in investments that if needed, they can sell some off to help with costs. Mr. Gonzales continued his questioning by stating that much of the ability to buy this business is in loans and they're contributing about 2% of total equity, so he asked how invested the Collinge's are if they aren't contributing a large portion of the funds and borrowing most of the funds. Ms. Collinge acknowledged the desire to know how invested they are in this business due to the funds they're contributing but explained that they're very much invested in this purchase and business. They're invested so much that they're giving up living in Albany, changing their lifestyle, and Mr. Collinge will be quitting his job and operating the diner full-time.

Mr. Gonzales asked for clarification of the income to debt ratio, including saving monies not spent on rent anymore and not having any additional income from the Airbnb. Ms. Collinge explained that Airbnb revenue is about \$8,000 to \$10,000 just during the summer season and by eliminating their current apartment rent in Albany of \$25,000 annually, they'll be saving more and it's a net positive. Mr. Gonzales noted their lifestyle that includes a snowmobile loan and asked if the Collinge's would be willing to give up that lifestyle to make the business work, to which Ms. Collinge said they're willing to give up their lifestyle for the business and sell items they don't need. Mr. Gonzales mentioned the business plan's mission statement and how it mentions honoring God, so he asked if they plan to make religion a focus at the restaurant or if it's just in their hearts and how they treat people. Ms. Collinge clarified that they're God centered, but they don't intent to push that on anyone and marketing won't be blatant about it. Mr. Gonzales thanked Ms. Collinge for her time and answering the questions.

Mr. Monahan introduced himself and explained some feedback he received from staff at the NBT satellite office in Speculator. Feedback included the challenge for the current owner of the diner was staffing shortages, so Mr. Monahan asked how the Collinge's plan to have consistent staff year-round. Ms. Collinge acknowledged the difficulty of staffing and said that they'd heard one of the previous cooks that lives in Wells may be interested in a position at the diner, and they have a few people they plan to speak to about that position. Additionally, the Collinge's have



close ties with a local Christian camp in Speculator, and the chefs there have offered their services to assist in menu options, training Mr. Collinge to work in the kitchen, etc.

Mr. Monahan was reviewing their tax returns for 2023 and 2024. Ms. Collinge clarified that White Rock Holdings, LLC was just for the rental income and the physical property is in her personal name. Mr. Monahan questioned the estimated value of the property and how much the Collinge's owe on it, and Ms. Collinge replied that they owe about \$148,000 and estimate value on Zillow says \$250,000 but realistically, the value is probably around \$230,000. Mr. Monahan asked Ms. Collinge if they would be open to taking out a 2nd mortgage on their home given the value of the diner building, and Ms. Collinge replied that they're open to that. Acknowledging that the required appraisal process takes about 3-5 weeks along with internal process at the bank, Mr. Monahan asked if they'd be okay with the timeframe given the negotiated agreement between the Collinge's and the current owner. Ms. Collinge said she believes the current owner would be open to their timeline. Mr. Monahan suggested they get conditional approval from a bank agency to enter into a lease arrangement so they can have a smoother transition with a soft opening and capturing people before they leave in September. Mr. Monahan asked Ms. Collinge if there's a possibility of not securing the \$60,000 from AEDC whether she thinks they'll be able to carry the business within the 1st year. Ms. Collinge responded that it would be difficult, but they have personal property to liquidate and have an option to shutdown for a few months, so they are aware of the potential for that.

No questions from Ms. Calabrese and Mr. Hamilton.

Ms. Gilles thanked Ms. Collinge and said that she'd be in touch soon.

The Collinge's exited the meeting; Board members remain on the meeting.

Ms. Gilles opens the floor for discussion. Mr. Gonzales shared that he felt more comfortable after the discussion and suggested the Loan Committee take the 2nd mortgage on the home as well as the possibility to require Mr. Collinge to have a life insurance policy for himself. Mr. Gonzales is in support of approving the loan application with a caveat of not waiving the appraisal.

Mr. Monahan heavily suggested the lease agreement with the current owner for 6 to 12 months and giving one lump sum at the end. Regarding the \$30,000 that Ms. Collinge referred to having in an account, Mr. Monahan explained that expenses occur quickly and will most likely be more than that amount paired with margins being small due to the type of food being sold. Mr. Monahan said the requirement for a yes vote would be contingent on a 2nd mortgage on their house, 1st mortgage on the business, appraisals on both the home and business, and the Collinge's



receiving secondary financing from AEDC or another organization and sending the Loan Committee proof of the funding.

Mr. Hamilton was happy to hear they have restaurant mentors from the area to give advice on the foods locals would enjoy. Mr. Hamilton suggested that Mr. Collinge take cooking lessons because there could be a day when he is needed in the kitchen if they're too busy and/or staff don't show up, so the shift would need to be covered.

Mr. Monahan brought up whether the Collinge's are taking closing costs into account, and Ms. Gilles said she informed them it would cost around \$5,000 due to the real estate transaction.

Ms. Calabrese suggested that due to the risk and tight budget, the committee set different amortization rates dependent on the seasonality of a business, as well as only requiring interest only payments for the first 6 months due to them getting the business started. Mr. Monahan recommended 9-12 months of interest-only payments due to the timeline of closing and getting through the rest of the slow season. Ms. Gilles clarified that the appraisal reports are only recommended for the meeting but are eventually required once a loan has been approved and must be completed before the closing date.

Mr. Gonzales suggested a 6% interest rate for the first 12 months and the committee agreed, as well as a 15 year loan. The committee agreed on the requirement of supplemental financing to cover working capital in the amount of \$50,000 or more. During the discussion, Mr. Gonzales suggested the Board review a potential requirement of 10% contribution from the applicants at the next annual meeting, and it would need to be memorialized by the Board.

Ms. Gilles asked for a motion to approve a \$155,000 loan to co-borrowers Four Corners, LLC and Collinges Holdings, LLC, of 6% at a term of 15 years, 12-month interest-only period, collateral is a 1st mortgage on the business and 2nd mortgage on the home, lien on business assets, life insurance policy on Mr. Collinge, lien on existing life insurance on Ms. Colling, personal guarantees from both the Collinge's, and a condition that they acquire supplemental funding for working capital at no less than \$50,000.

Motioned by Mr. Monahan.

Seconded by Mr. Gonzales.

Hearing no further discussion and no opposed, motion carried.



Happy Pikes

Ms. Gilles referred to the letter that was sent to the committee members about Happy Pikes, an ice cream shop in Clinton County that was an RLF 5 loan. The business' partnership has dissolved, and the business has been sold, so the borrowers are asking for a \$10,000 payoff. On the date of this meeting, the owners owe the LCLGRPB a little more than \$10,000.

Ms. Gilles asked for a motion to accept Happy Pikes offer to pay off the rest of the loan at the amount of \$10,000.

Motioned by Mr. Hamilton.

Seconded by Mr. Monahan.

Hearing no further discussion and no opposed, motion carried.

Low Balance Report

- RLF 1
 - o Joe Brand
 - o MSRY's bankruptcy case was dismissed, so the owner is paying the loan back slowly
- RLF 2 & 4
 - o They're all in good standing, including The Little Pizza Shop in Peru, which was the committee's only \$25,000 Covid Emergency loan. The owner is almost paid off and business seems to be going well.
- RLF 5
 - o Elf Management is still in default, so the committee will reassess the situation once the calendar year is over.
 - o Fun World Arcade has paid off and the building has been sold.
- RLF 6
 - o Historically, the owner of Karasell Flowers will make a payment and then disappear for a few months, so Ms. Gilles reaches out to the attorney and the owner will make a single payment.
 - o Ms. Gilles informed the board that the owner has 2 loans open, including loans of \$41,400 in one fund and \$59,600 in the other fund.
 - o Currently, the owner is 6 months past due.
 - o A suggestion was to send the owner a letter mentioning foreclosure to get the ball rolling, and then the committee would need to review restructuring of the loan to begin receiving payments again.
- Adirondack Mountain Outfitters and Tamilia Peppercorn have paid off their loan



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The committee currently has 52 open loans, soon to be 53 with the approval of Four Corners, LLC, which totals \$5.476 million in loan capital.

Other

Ms. Gilles informed committee members that she received an email from their attorney regarding RC Spot's Ryan Chase, who has been in default on his loan for a long period of time. The attorney shared with Ms. Gilles that Mr. Chase's attorney is about to file bankruptcy and they're offering a \$15,000 lump sum settlement while he owes \$123,000 plus late fees. Ms. Gilles said they've been attempting to contact him for years to pay but have been unsuccessful. Board members weren't supportive because it would set a bad precedent for other business owners with RPB loans.

Ms. Gilles shared that she struck a deal with the North Country Alliance through the Development Authority of the North Country to contract with their loan department to assist with the Loan Committee's underwriting. The underwriter, Matt Seimer, has been hired at an hourly rate.

Mr. Monahan asked about The Weekender loan, and Ms. Gilles shared that she requested documents from the applicant who's refusing to submit anything unless it's in a secure site. Mr. Monahan mentioned that it would be helpful to look into a secure file upload software for applicants to submit documents into during the process.

Motion to adjourn the meeting by Mr. Monahan
Seconded by Mr. Gonzales.

Hearing no further discussion and no opposed, motion carried.

Respectfully submitted by Kiersten McCane, Operations Coordinator