

Woodstock Economic Development Commission Agenda

Draft Minutes

March 20, 2020

All participants on the phone due to COVID-19

Commissioners present: Joe DiNatale, Jon Spector, Larry Niles, Julia Cooke, Michael, Charlie Kimbell, Courtney

Commissioners absent: Mica Seely, one vacancy

Others Present: Sally Miller, Karim Houry, Nick Ferro, Mary Riley, Jill Davies, others on the phone who did not speak

I. Call to Order

Chair Spector called the meeting to order at 8:15. Resolved issues with logging on. All commissioners were unmuted. Other participants were muted until public comments.

II. COVID-19 Business Relief

Chair Spector introduced the draft motions (attached.) There are five motions to consider:

1. Request that 2020 grantees defer receiving their funds until later in the year.
2. Allocate \$100,000 for an emergency relief fund of loans up to \$1,000 which may be converted to grants.
3. Allocate \$250,000 to secure loans to be made by local banks. (Up to \$10,000, one-year grace period, low interest.)
4. Other initiatives for relief that might require funding.
5. Lists principles that the EDC will follow.

a. Motion #1

All grantees have been asked if they would make their funds available. Grantees have agreed to make \$208,215 available. The spending moratorium is for one month.

Chair Spector thought the EDC could demand that money is returned, but does not think it is necessary.

Mr. DiNatale is concerned that not everything like flowers and the trail are cut because they are things to look forward to. The community needs something that is forward looking and we want to keep our society here in Woodstock alive and participatory.

Ms. Cooke wants to keep the marketing budget intact because it provides important communication. We need to keep Katie involved. Ms. Cooke wants people who are not involved in the community to stay engaged.

Chair Spector suggested increasing the retained marketing funds to \$36,000.

Mr. Lowe is looking at needing all the funds for relief and we may not want to spend marketing dollars until summer. The current allocation keeps Katie staffed and the website going.

Mr. DiNatale thinks the marketing dollars should go to what Woodstock is doing to stay alive.

Mr. Niles said that we are not just funding survival but building community. He suggests a two-month moratorium for all remaining funding, with a conversation after that point to determine needs.

Mr. Malik thinks it is a good time to market Vermont.

Mr. Kimbell questioned whether we are spending all our funds and will we be able to honor these grants in the future? Chair Spector says that when we start getting revenue we will fund these programs first. There will be \$350-\$380K if all funds taken back; there is actually \$145K available right now without any additional revenues for this year.

Mr. DiNatale wanted to know when people would be required to return funds.

Chair Spector suggested cutting back on the numbers, maybe keep \$100K for Motion 2 and reduce Motion 3 to \$225K. Establish a two-month moratorium on all other funding.

Mr. Niles wondered if \$36,000 is enough for marketing. Mr. Lowe said that bulk is for social media person and maintaining the website and social media platforms.

b. Motion #2

Chair Spector explained that Motion 2 is an allocation of \$100K for short term emergency funds. This is an EDC program. Applicants will sign a pledge that the funds will have a material effect to stay in business. The goal is not to make them whole, but allow them to survive. Applicants will sign a loan agreement, but the EDC will review it to consider converting it into a grant. In the worst case, they should expect to lose all the money, but they may get some back. The idea is to start as loan so it more of a commitment from the business.

Mr. Kimbell suggested that it be open to operators of a business located in Woodstock and wanted to know if it will cover Woodstock residents operating businesses out of the area? He wanted to know if there will be a credit check.

The application has been drafted by Ms. Miller based on lessons learned from the Irene Relief Fund. The process will be designed for speed, so it will not be very involved. (No credit report.)

Criteria : What is “an existing local business”? Businesses operating in Woodstock.

Some discussion about businesses essential to working in Woodstock.

Chair suggested that the EDC ask the Select Board for some flexibility as the details are worked out. (See motion 5.)

Mr. Niles wants to know where \$100K came from? Chair Spector said that there are 79 storefronts but many more businesses. Again, can be changed.

Mr. Malik left the call.

c. Motion #3

Motion 3 is to allocate funds for a larger loan program but will require some credit evaluation.

Chair Spector suggested to hold off on Motion #3 because it needs more work. It's not possible to commit to details because Mascoma and other banks haven't agreed yet.

The Commission agree to defer discussion.

d. Motion #4

Motion 4 is to do other programs.

1. Discovery Bicycle Tours has infrastructure in place. They could run a program for \$35,000 for two months to help businesses with deliveries.

2. Help businesses to get grants/loans. Mr. DiNatale thinks that direct help is more important. Ms. Cooke agrees. She thinks that local initiatives for delivery are starting.

Mr. Niles had posted info from SCORE, they are designed to help small businesses.

The sense of board is that #2 is more important.

e. Motion #5

Chair Spector read principles outlined in Motion 5. The EDC will vote on them at the next meeting. Mr. Kimbell wanted to add to number 1 – add maintain levels of employment and services to the community. He also had concerns about #4 and issues of confidentiality with banks.

Ms. Miller suggested that language be added that gives the EDC the decision making from the relief fund at the individual level.

Chair Spector opened the call to questions from the public.

Karim Houry (Woodstocker B& B) – He recommends that Motion 2 ask people why they want the money. And then ask people who have reserves to not use these funds.

Nick Ferro (N T Ferro Jewelers) - He would rather that funds go directly to employees because they need it this week. He would also like the EDC to ask state to give back full amount of the option tax rather than retaining their percentage.

Chair Spector thinks that it is the business owners' decision on how to use cash.

Mr. Houry wanted to point out that there was a point made for EDC to liaise with landlords for deferred rents. Chair Spector mentioned that tonight's meeting will include a form for businesses to give contact information about landlords.

Chair Spector closed the public comments.

Ms. Cooke wants to figure out ways to capitalize on second home owners in the future.

Marketing Woodstock as a place to live. (She was in NY during Ebola crisis and is grateful to be here now.)

Motion #1 as written with the following modifications.

1. Add \$2,000 to marketing retained amount increasing it to \$36,000.
2. Other groups require a two month spending moratorium and they are asked to come back and explain the situation before making a final decision.
3. Final sentence - . . . to fund short-term relief to local organizations and for other programs to ensure the survival of local businesses until the original grant amounts for the above organizations have been funded.

Mr. DiNatale moved, Mr. Lowe seconded. Chair Spector clarified that the moratorium is just on the ones who haven't responded yet.

Vote by roll call. All approved.

Motion #2 as written with the following modifications.

At a minimum these will cover -

- a) Applicants must be businesses operating in Woodstock or businesses essential to Woodstock's operation.
- c) Applications will be accepted online starting on Monday, March 23 and funds will be disbursed by Friday, March 27th within the best of our abilities.

Mr. Niles moved, Mr. Lowe seconded. No roll call. All approved.

Motions #3 - #5 will be discussed at the next EDC meeting. Chair Spector will share Motion #5 with the Select Board for their feedback.

The meeting was adjourned at 9:28.

Respectfully submitted,
Sally Miller
EDC Coordinator
March 24, 2020

ECONOMIC DEVELOPMENT COMMISSION

Redirecting Our Resources To Provide Emergency Support to the Local Economy

March 20, 2020

MOTION #1

To request the following 2020 grantees defer receipt of their committed 2020 grants in the following amounts:

Grantee	Original Grant	Amount Available	Amount Retained
GlobalLocal	10,000	10,000	-
Litter Receptacles	16,000	16,000	-
Teagle Landing	84,250	79,850	4,400
Town of Woodstock Fireworks	5,000	5,000	-
WES – Playground Trails	3,900	3,900	-
Chamber - Direct Marketing	13,132		13,132
Chamber - Beautification	14,200	7,000	7,200
Woodstock Nursery School	10,000		10,000
Woodstock Riverwalk	45,465	30,465	15,000
WUHSMS – Facilities Planning	50,000		50,000
EDC Marketing Workgroup	80,000	46,000	34,000
EDC –Storefront Incentive	20,000	5,000	15,000
Administration	17,166	5,000	12,166
Total	369,113	208,215	160,898

subject to the condition that the EDC will make no new funding commitments from this time forward other than to fund short-term relief to local organizations to ensure their survival until the original grant amounts for the above organizations have been funded.

MOTION #2

To allocate \$100,000 to an emergency Business Relief Fund to provide short-term liquidity to Woodstock local business owners, to help weather the financial crisis caused by the COVID-19 pandemic, subject to the following conditions:

- a) Applicants must be local business owners
- b) The maximum funding for each applicant is \$1,000
- c) Applications will be accepted online starting on Monday, March 23 and funds will be disbursed by Friday, March 27th
- a) Applicants will sign a pledge stating that receipt of these funds will have a material impact on their ability to stay in business through the period in which the pandemic is affecting Woodstock; and these pledges will be part of the public record
- b) Applicants will sign a loan repayment agreement obligating them to repay the loan within 12 months

- c) Interest on the loan will not be charged
- d) At a later date (but before 12 months have elapsed) the EDC will develop and then undertake a review process to evaluate *in general terms* the health of the grantee's business, and if it is determined that the emergency funding had a material impact on the ability of the business to stay in business the loan will be forgiven.

MOTION #3

That the EDC allocate a maximum of \$250,000 to work with local banks to establish a loan fund targeted towards business owners who are otherwise unable to secure traditional bank funding, subject to the following possible conditions:

- a) The EDC will establish criteria to qualify applicants and will develop a "bank referral" process to pass on approved applicants to a bank
- b) The maximum loan amount the EDC will secure is \$10,000
- c) Loans will be charged interest quarterly
- d) There will be a one year grace period on principal repayments, after which principal repayments will be spread over five years

MOTION #4

That the EDC develop detailed plans, and where necessary funding requests, to support local businesses in the following ways:

- a) Exploring the possibility of a shared local delivery service for non-grocery items; and for helping ensure the viability of the new grocery delivery service
- b) Assisting local businesses in navigating the many available government programs that can provide financial and other support

MOTION #5

Recognizing that in our desire to move quickly to address the COVID-19 emergency some details of the four preceding Motions remain unclear, or may change in some aspects, we therefore commit that we will follow four basic principles as we implement today's Motions:

1. Our objective is to maximize the survival of local businesses and to minimize the number of businesses that go out of business
2. If demand for funding is greater than our available resources and we are forced to make choices of who to fund, we will favor businesses that are most essential to local residents, most visible to and accessible by visitors, and those that can best or only be delivered locally rather than remotely.
3. We will provide funding at levels that will allow a business to survive, rather than to try to make a business whole
4. We will seek Select Board approval for all funding or lending decisions made, in the same fashion as we have sought approval for Grants in the past.

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