

Redevelopment Authority of the County of Erie (ECRDA) Minutes of March 23, 2021 Public Meeting

The Redevelopment Authority of the County of Erie's public meeting of March 23, 2021, 8:00 am via Teams. This meeting is pursuant to a legal ad published in the Erie Times on December 22, 2020.

Members present via zoom call: John Laird, Bill DeLuca, Laith Wardi, Harry Eighmy and Kate Philips.

Others via zoom call: Jenna Bickford, Esq., Tina Mengine, Linda Robbins, Sherri Geary, Chris Groner and Larry Bossolt.

Call to Order: John Laird, Chairman called the public zoom meeting to order at 8:00am.

Hearing of the Public: John Laird asked for any public comment. There was none.

Approval of Minutes of February 23, 2021 Regular meeting*:

John Laird asked for comment. As there was none, he asked for a motion to approve as presented.

On a motion by Harry Eighmy, and seconded by Bill DeLuca, the minutes were approved as presented.

ECRDA Financial Report*:

Linda Robbins reported on the Balance sheet and Statement of Operations report, pointing out a new cash item, Millcreek Loan fund. We have received from the County, the \$250,000 in diversity funds. Bill DeLuca questioned the increase in the EDCEC term loan, which has a current balance of \$42,000. The Working capital loan of \$180,000 will accrue interest with no payments for one year. Bill further asked what the line of credit has been reduced to. Linda noted that it has not been reduced but the final increase was \$120,000. The Board asked that the receivable cash line go back to its original amount of \$60,000. **On a motion** by Bill DeLuca and seconded by Harry Eighmy, the financials were unanimously approved as presented.

ECRDA Cash Available/Loans in Discussion*:

Tina Mengine reported on the Cash available/loans in discussion report. She indicated that both the Millcreek Fund and Diversity Fund have been added to the spreadsheet. ECRDA's operating restricted represents the \$500,000 of operational cash reserve. Board discussion ensued. **On a motion** by Laith Wardi and seconded by Harry Eighmy, the report was unanimously approved as presented.

New Business:

Value Flow, Inc./dba as High-Tech Plating \$250,000 loan approval*:

Chris Groner detailed specifics regarding the loan, adding it comes to the Board recommended by loan committee. A funding request for vapor tech coating installation and minor leasehold improvements to get machinery up and running. Board discussion ensued. In addition to the Corporate guarantee from the parent entity, the Board requested a Landlord's waiver. **On a motion** by Bill DeLuca and seconded by Kate Philips, the loan was approved with a Corporate guarantor, if there is one to add, and Landlord's waiver.

SAXA*:

Tina Mengine commented on the one-page summary in the packet. Adding that recent discussions with SAXA reps have resulted in a request to modify their current payment structure. Linda Robbins noted, the original 2015 loan was a 3-party lender loan consisting of the Enterprise Development Fund, the Erie County Redevelopment Authority and Ben Franklin. Since that time, they have consistently paid down the principal (2017) and quarterly interest payments until June 2020. Since, they have missed (2) principal payments and have totally missed all interest payments to date. That said, discussion ensued regarding their request to continue to resume their interest payments and continue the same path for the next 2 years. They currently have no assets to pay off the loan. Although two guarantors remain. Tina is asking for the Boards support in extending payments for another two years. Board discussion ensued. **On a motion** by Laith Wardi and seconded by Kate Philips, the interest only payment request was unanimously approved as presented given SAXA submit current financials.

Berry Global \$1M loan request*:

Tina Mengine introduced discussion on Berry Global' s request for \$1M. Larry Bossolt noted this project has been many years in the making. Currently we have a signed pre-leasing agreement with Berry. We are working in conjunction with Porter Consulting Engineers and Urban Engineers on the project. Urban is working on the baseline environmental report, the key going forward as far as remediation is concerned, resulting in an Act II closure and indemnification. Chris Groner noted loan conditions are as follows: a 1.5% fixed APR for 15 years, no interest for the first 18 months. Subordinate mortgage on parcels and property. Lease guarantee. Promissory note with the EDCEC. Board discussion ensued. **On a motion** by Kate Philips and seconded by Harry Eighmy, the Board unanimously approved the \$1M loan request as detailed above. For the record, Bill DeLuca abstained.

CEO's Report:

Tina Mengine announced that Bliley and Roger Richards, who currently owe \$609,584 have asked for the release of a 2.4-acre parcel located behind the W. Grandview facility. Additionally, they request the release of Roger Richard's personal guarantee by paying off ErieBank and giving us a shared 1st lien position. Discussion continued. The Board agreed to the release of the parcel but will not release Roger Richard's personal guarantee at this time.

The CHIRP Grant is progressing well. To date, we have processed 60 grants totaling \$1.72M, of which ECRDA earns \$400.00 on each.

Quin-T closed last week. A press conference is planned for 4/16 at 1:30pm. Save the dates to follow.

During a recent EMI pre-closing walkthrough, hazardous wastes were discovered in barrels on shop floor. As such, closing was halted until barrels can be removed. Updates to follow.

Discussion ensued on Mid-American's forbearance agreement. Jenn Bickford, Esq. gave further input. The Board agrees to an interest only period of one year, then a resume to normal payments of interest and principal. Additionally, the Board wishes to add collateral being Mid-American's West 6th Street headquarters that ECRDA takes a 3rd lien position one and (2) parcels located in East Springfield, shared with Pennsylvania Industrial Development Authority. Attorney Bickford indicated that a new Agreement is needed. **On a motion** by Bill DeLuca and seconded by Laith Wardi, the Board unanimously agreed to the terms outlined above.

Adjournment:

On a motion by Harry Eighmy and seconded by Kate Philips, the meeting adjourned at 9:22am.