

**Redevelopment Authority of the County of Erie (ECRDA)
Minutes of Public Zoom Meeting
October 27, 2020**

The Redevelopment Authority of the County of Erie's public meeting of October 27, 2020, 8:00 am via Zoom conference call. This meeting is pursuant to a legal ad published in the Erie Times on October 25, 2020.

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

Members excused via zoom call: Kate Philips.

Others via zoom call: Jenna Bickford, Esq., Kathy Dahlkemper, County Executive, Tina Mengine, Linda Robbins, Chris Groner.

Call to Order: Bill DeLuca, Chairman called the public zoom meeting to order at 8:01 am. Bill began by thanking all Board members for their contributions at the recent Board retreat. Tina Mengine concurred adding that a summary report from Don Moore will follow soon.

Hearing of the Public: Bill DeLuca asked for public comment. There was none.

Approval of Minutes of September 22, 2020*:

Bill DeLuca asked for comment. As there were none, he called for a motion to approve the minutes.

On a motion by Harry Eighmy, and seconded by John Laird, the minutes were unanimously approved as presented.

Financial Report*: ECRDA*

Linda Robbins reported on the Balance sheet and Profit & Loss report. She indicated the 2019 Draft Audit will be presented by Rick Clayton at our November meeting. Additionally, the finance committee plans to meet to review the 2021 Draft Budget. Board discussion ensued. **On a motion** by John Laird and seconded by Harry Eighmy, the financials were unanimously approved as presented.

Loans in Discussion/Cash avail*:

Tina Mengine presented loans in discussion/cash available, noting we have approximately \$7M to lend which includes \$600,000 from the FUND. Harborcreek and Millcreek Township Municipal loans are pending. Northeast Township \$40,000 request will close soon. Board discussion ensued.

On a motion by John Laird and seconded by Harry Eighmy, the loans in discussion/cash available report was unanimously approved as presented.

New Business:

Gordon's Market, LLC - \$400,000*:

Chris Groner indicated the loan comes to the Board recommended by loan committee. Gordon's Market, LLC asks for \$400,000 to purchase/renovate new location at 4815 Peach location. Rate is 3.5% with a fifteen (15) year term. They look to double the current workforce of 15.

Collateral is as follows: Mortgage (subordinate to primary lender only) on property located at: 4815 Peach St. Loan Agreement and Promissory Note from Gordon's Market, LLC. Personal Guarantees from Kyle & Allison Bohrer and Jon & Paula Markley. Blanket subordinate security interest lien in all business assets of every kind and nature owned by Gordon's Market, LLC whether now owned or hereafter acquired and wherever located. Property insurance designating the Erie County Redevelopment Authority Revolving Loan Fund as lender loss payee and mortgagee. Board discussion ensued. **On a motion** by John Laird and seconded by Laith Wardi, the loan was unanimously approved as presented.

Rate discussion/vote*:

- **Reset interest rate from 3.5% to 2.44% (75% of prime) *:**
- **Agree to peg our rate to 75% of prime (minimum of 2% prime) moving forward*:**
- **Reset Municipal rate from 2.5% to 1.5%*:**

Chris Groner revisited current regional rate environment statistics, noting that we appear to be out of

step with current program guidelines. We feel the need to readjust to keep in line with our mission to provide not only gap financing, but marginal incentive, driving top line growth for the organization. He suggests pegging us at 75% of prime, getting our rate where it needs to be, somewhere in the middle at 2.44%. Do we want to peg this at an index or rate so that it satisfies the conversation moving forward? Tina Mengine indicated that Jenna Bickford, Esq. suggested lowering the Municipal rate as well. Board discussion ensued. At this time, Bill DeLuca asked the Board vote on each individually.

Relating to the adjustment in the Municipal rate. **On a motion** by John Laird and seconded by Harry Eighmy, the Municipal rate adjustment from 2.5% to 1% was unanimously approved.

Relating to the adjustment in regular loan portfolio rates, Mr. DeLuca proposes dropping to a minimum of 2%, thus giving Ms. Mengine the flexibility to price appropriately, based on her discretion. **On a motion** by John Laird and seconded by Harry Eighmy, the regular loan portfolio rate change to a minimum of 2% was unanimously approved.

CEO Update:

Tina Mengine reiterated to Board members as Linda noted earlier that all our regular and emergency loan deferments are now due. We have some that have not begun repayment yet. Tina had a conference call with STEIDA and ErieBank regarding "GREATT". Every effort is being made to find a solution.

The Enterprise Development Center (EDCEC) owes the ECRDA \$80,000. Of that amount, \$70,000 is more than a year old. Tina introduced discussion regarding the possibility of ECRDA lending EDCEC \$150,000 which would enable them to pay the \$80,000 owed to us, with the remainder in working capital for the Berry Project and others. Board discussion ensued. The Board agreed to have Tina present at their November meeting.

Tina anticipates having the Berry Project Cooperation Agreement signed today as Jay Alberstadt and Berry's counsel finalize details. Updates to follow.

We put in bids using City funds on 12th & Greengarden and 12th & Cherry. Updates to follow. We are talking about green space in Harborcreek that is up for sale.

Laith Wardi asked about exposure on total bad debt. Mid-America is \$225,000.

Tina noted that we are having a conversation with Millcreek Township soon to establish a fund similar to Summit Township (STEIDA), thus expanding our loan funding through outside sources. Updates to follow.

Linda and Tina will have a preliminary budget for Finance committee next week at which time a meeting will be scheduled.

Tina commented that we recently had a cyber breach. Upon forensic analysis we stopped it from spreading but are still experiencing lingering activity.

Adjournment:

With no other business to discuss, Bill DeLuca formally moved to adjourn at 8:55am, seconded by Harry Eighmy.