

DEVELOPMENT CHENANGO CORPORATION
FINANCE and EXECUTIVE COMMITTEE
SPECIAL MEETING MINUTES
November 17, 2016

Present: S. Marshman, J. Telesky, M. Weaver, C. Olin & D. Forsythe (via phone)

Absent: D. Shea

Contract Staff: S. Craig, J. Sheldon, L. Bunce

I. Call to Order

Chair, S. Marshman called the meeting to order at 8:01 a.m.

II. Loan Review

L. Bunce informed the committees Hercules Properties, LLC have applied for a bridge loan to cover funding renovations to their building at 42-46 North Broad Street, Norwich. They received two economic development grants as part of the 2014 Consolidated Funding Application. A grant in the amount of \$100,000 was received through the Rural Area Revitalization Program ("RARP"), and a grant in the amount of \$155,795.12 was received through the New York State Main Street Program (NYSMSP). As both grants are reimbursement based, Hercules Properties, LLC sought and received a Community Revitalization Program (CRP) loan from STREDC in the amount of \$215,000 to fund work in advance of reimbursement by the two grants. The loan closed in January 2016 but to-date only \$43,628.08 has been made available by STREDC. To date, Hercules Properties, LLC has expended \$113,018.38 on the project and has been waiting for additional funds to be released by STREDC but the timing is uncertain and unpredictable. A balance of \$171,371.92 remains available from the STREDC loan. Hercules Properties is seeking this bridge loan in order to secure sufficient funds to expend the balance of the grants in advance of the deadlines. The bridge loan will be repaid with the proceeds of the grant and/or STREDC funds. With the rapidly approaching deadlines for work related to the RARP and NYSMSP grants, and winter just around the corner, Hercules Properties needs immediate access to capital that the CRP loan is not able to provide. We propose a bridge loan from Development Chenango Corporation to Hercules Properties in the amount of the available CRP loan balance: \$171,370. This loan can be secured with the grant funds from RARP and NYSMSP, or with an assignment of proceeds for the CRP loan. To accommodate the time required for Hercules Properties to receive the CRP loan funds from REDEC, we would recommend six months of no payments, followed by six months of interest only, with full principal and interest payments beginning in month thirteen. L. Bunce answered any questions.

Motion to approve a bridge loan of \$171,371.92 to Hercules Properties, LLC by D. Forsythe, J. Telesky. Ayes All. Approved.

Motion for Executive committee approval by D. Forsythe, seconded by S. Marshman. Ayes All. Approved.

III. Adjournment

Meeting adjourned at 8:18 a.m.