

**Minutes of the Meeting
of the
Loan Committee
of
Buffalo Urban Development Corporation**

**95 Perry Street
Buffalo, New York
March 25, 2019
8:30 a.m.**

Committee Members Present:

Michael S. Anthony (M&T Bank)
Joseph Burden (HSBC Bank)
Dottie Gallagher
Russ Gentner (KeyBank)
Brendan R. Mehaffy, Committee Chair

Committee Members Absent:

Adam W. Perry
James L. Rykowski (Evans Bank)

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Mollie Profic, Treasurer
Kevin J. Zanner, Secretary
Atiqa Abidi, Assistant Treasurer

Guests Present: Michael Taylor, NYBDC.

Roll Call: The roll of Committee members was called at 8:32 a.m. and a quorum of the Committee was determined to be present. Ms. Gallagher joined the meeting during the presentation of agenda item 2.0.

- 1.0 Approval of January 8, 2018 Meeting Minutes** – The minutes of the January 8, 2019 joint meeting of the Loan Committee and Downtown Committee were presented. Mr. Gentner made a motion to approve the minutes. The motion was seconded by Mr. Anthony and unanimously carried.

- 2.0 BBRP Loan Extension Request** – Ms. Merriweather presented her March 25, 2019 memorandum regarding a loan modification request from The Phoenix Brewery Apartments, LLC. The borrower is seeking an additional twelve months to February 28, 2020 to make a balloon payment on its \$750,000 BBRP loan. The borrower has made all interest-only payments on the 36-month term loan. Ms. Merriweather asked Michael Taylor to review the Servicing Request & Loan Review memorandum prepared by NYBDC in connection with the borrower's extension request. Mr. Taylor noted that the borrower has agreed to provide the corporate guarantee of Laurel International Holdings, LLC as a condition to BUDC granting the loan extension. NYBDC is recommending that the loan be extended, with monthly interest-only payments and a balloon payment of all principal and accrued interest due and payable on February 28, 2020. The Committee discussed the loan extension request. Ms. Merriweather indicated that the Committee has the authority under the BBRC Loan Policy to provide an extension of up to 90 days, and that any extension beyond 90 days must be approved by the BUDC Board of Directors. In response to a question from Mr. Burden, Mr. Taylor stated that the borrower is current on loan payments with its senior lender. There being no further discussion, Mr. Anthony made

a motion to approve a 90 day extension of the loan, and to recommend that the Board of Directors approve a one-year extension of the loan, with the borrower to make monthly interest-only payments and a balloon payment of all principal and accrued interest on February 28, 2020. The motion was seconded by Mr. Gentner and unanimously carried.

- 3.0 Loan Policy Discussion - The Sinclair** – Ms. Merriweather updated the Committee regarding The Sinclair project. The project owners had previously submitted an application for BBRP funding. The project was presented to the Loan Committee, but the applicant was unable to demonstrate a financing gap at that time. The building renovations have since been completed and the building is fully leased up. The owner has now identified a financing gap and contacted BUDC to explore the availability of BBRP loan funding. Ms. Merriweather noted that the BUDC Loan Policy is not specific in terms of how a financing gap is defined and asked for Committee input. It was noted by several Committee members that BBRP loan funding was intended to serve as bridge funding for projects to be constructed. Utilizing BBRP loan funding to bridge a funding gap after a project is completed and leased up does not appear to be within the spirit of the program. Ms. Merriweather reported that she had spoken with the project owner and that he was aware that the financing request may not fit within BBRP requirements. The Committee then moved on to a discussion relating to potential modifications of the loan program to provide for more patient capital.
- 4.0 Current Loan Status Updates** – Ms. Merriweather presented the March 20, 2019 Loan Status Report. She reviewed the status of each of the loans in the pipeline as listed in the report. The Michigan Broadway project is the most advanced of the loans, with NYBDC currently underwriting the loan. The Sinclair project will be removed from the pipeline list following the earlier Committee discussion. The Trico, 810 Main Street, 523 Main Street, McCarley Gardens, Heritage Point and Leo Strong projects continue to move forward.
- 5.0 Adjournment** – There being no further business to come before the Loan Committee, upon motion made by Ms. Gallagher, seconded by Mr. Anthony and unanimously carried, the March 25, 2019 meeting of the BUDC Loan Committee was adjourned at 9:10 a.m.

Respectfully submitted,



Kevin J. Zanner, Secretary