

**City Of Buffalo Urban Renewal Agency
Loan Committee Meeting
Loan Committee Meeting Minutes for July 17, 2014**

1.0 Members Present

Brendan Mehaffy, Vice Chairman
Council President Darius Pridgen
Commissioner Donna Estrich
Timothy Ball, Corporation Counsel

Staff Present

Scott C. Billman
Thomas Baines
Risè Geller
Justin Nadeau, NYBDC

2.0 Reading of the Minutes

Commissioner Estrich called the meeting to order at 2:10 pm. Mr. Ball the motion to waive the reading of the minutes from the June 17, 2014 meeting, and that they are accepted; seconded by Commissioner Estrich and carried unanimously.

3.0 BURA/BERC Loans Action Items

City Block Joint Ventures

Borrower is seeking to extend the maturity date of the above loan by 5 years or to 4/1/17 on a loan currently held by Buffalo Economic Renaissance Corporation ("BERC"). Pertinent Loan details are as follows. The loan matured on 4/1/12. According to the note, the borrower was to pay \$3,267.43 for 10 years @ 3.00% (with a balloon payment on 4/1/12). The borrower requested an extension of 5 years due to the borrower not having the ability to pay the balloon payment of \$589,158.13 however no action was taken. City Block Joint Ventures has shown good faith and has continued to remit the required monthly P&I since the loan has matured. NYBDC is recommending to extend the loan by 5 years (or to 4/1/17) and keep all terms as is. The loan will be re-evaluated at that time to determine if an additional extension is necessary or require the loan to be paid in full. The borrower has also encumbered late fees in the amount of \$4,247.62 due to payment being received past the 10 day grace period (according to the loan agreement). In good faith, the borrower is requesting to pay half the late fees and have the other half waived. NYBDC is recommending to extend the loan by 5 years to April 1, 2017 in order to allow the borrower to be in compliance with the note and loan agreement. Waive half the late fees due to borrower showing good faith and paying half of the fees. All other terms will remain as is.

Council President Pridgen made a motion to allow the request to extend the maturity date but not allow the waiver of late fees, seconded by Mr. Ball and carried unanimously.

Operating Company Caz Coffee, Deborah Clotfelter

The original owner Deborah Clotfelter deceased a few years ago. The daughter, April Ersing took over business and moved the business and assets to 1862 Hertel Ave. It should be noted, April is not a loan guarantor. The business has been sold and a new owner is operating the coffee shop in the facility. April is currently unemployed. Originally an attempt was made to set up payment plans with the April but she has been uncooperative. NYBDC recommends a charge off of the loan as legal fee will exceed the recovery we may obtain from liquidation of business assets. It should be noted the borrower paid down the principal 97%.

Council President Pridgen made a motion to approve the request to charge off the BERC loan, seconded by Mr. Ball, and carried unanimously.

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Johnsix, LLC

Borrower is requesting to extend the maturity of the above loan by three (3) months to October 1, 2014. This loan is currently held by the Buffalo Economic Renaissance Corporation ("BERC"). The Loan details are as follows. Borrower has missed payments since April '14, NYBDC completed a site visit on 6/19/14 and was provided with 2 checks (April and May payments and one of the checks bounced) and was informed that the property is up for sale. There is currently a sale contract in place and is scheduled to be closed by August '14. NYBDC is in receipt of the sale contract but not the commitment letter. The loan is scheduled to mature on 7/1/14. Since the borrower showed good faith by providing checks for the missed payments; NYBDC recommends an extension of 3 months in order for the loan to not mature and allow time for the borrower to sell the building. Once the sale is completed, BERC/BURA will be paid in full. NYBDC recommends extending the maturity date by 3 months in order to provide time for the Borrower to sell building and the loan does not mature on the books.

Commissioner Estrich made a motion to approve the extension of the maturity, seconded by Mr. Ball, and carried by a vote of 3-0 with one abstention (Council President Pridgen has his Radio Station there).

4.0 Adjournment

Commissioner Estrich made a motion to adjourn the meeting at 2:25 pm, seconded by Mr. Ball and carried unanimously.

Approved,



Scott C. Billman, General Counsel