

**SUMMIT TOWNSHIP
INDUSTRIAL & ECONOMIC DEVELOPMENT AUTHORITY
Special Business Meeting
Monday, March 12, 2018**

The Summit Township Industrial & Economic Development Authority (STIEDA) special business meeting was called to order by Chairman Krasinski at 7:02 p.m., followed by salute to the flag. Present were Authority members, Lee, Welka, McAtee, Sangl, Troutman and McGowan, Attorney Shimek and Recording Secretary Nesselhauf. There were 7 members of the public were present.

CALL TO ORDER

There was no public input.

PUBLIC INPUT

Motion by McGowan, seconded by Welka, to approve the February 26, 2018 regular business meeting minutes, as presented.

APPROVAL OF MINUTES

Vote: 7/0

Motion by Welka, seconded by Sangl, to approve the February 2018 expenditures, as submitted.
Vote: 7/0

EXPENDITURES

Motion by McGowan, seconded by Welka, to approve the February 2018 Treasurer's Report, as submitted.

APPROVAL OF TREASURER'S REPORT

Vote: 7/0

There was no correspondence.

CORRESPONDENCE

There was no old business to discuss.

OLD BUSINESS

Bob Catalde was present on behalf of Greater Regional Erie Athletic Team Training, Inc. (GREAT). He thanked the Board for their continued support thus far as the Board has previously granted GREAT \$20,000 toward a feasibility study and \$500,000 toward the purchase of the Family First Sports Park Facility. Mr. Catalde informed the Board the closing on the facility was in mid December. He told the Board that nine days after the closing on the facility the Sports Dome collapsed due to record snowfall in December causing significant damage. He said insurance will cover the damage of the dome but it's not expected to be completed until mid to late April. He explained that with the dome inoperable until the end of April they will lose a lot of revenue. He stated that insurance will cover loss of revenue to a certain extent but is not aware of how much at this point. Mr. Catalde further explained that GREAT wanted to start the construction of two ice rinks shortly after the closing but unfortunately the bids came in a little bit higher than anticipated. To complete both rinks and have the project fully operational, an additional \$500,000 is needed as soon as possible. A September 1st start date is their target and it is very important to hit that date for hockey season because a significant amount of ice time has already been reserved. Mr. Catalde presented the Board with a Proposed Term Sheet which outlined the repayment of a \$500,000 loan. The proposed terms presented were as follows:

NEW BUSINESS
• GREAT Loan Proposal

Loan Amount:	\$500,000
Interest Rate:	5%
Terms:	Year 1 no principal payment, interest accrues Year 2 interest only Years 3-10 principal and interest due
Collateral:	Subordinated lien on 8155 Oliver Rd. as well as repayment through capital campaign donations behind Erie Bank.
Penalties:	No repayment penalties.

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Discussion ensued with Board members asking several questions in regards to the feasibility study, capital campaign, construction budget and phases. Mr. Catalde informed the Board that the feasibility study could not be completed until after the closing on the facility. The consulting firm should have it completed in about 1 month and then the capital campaign will take approximately 6 months. GREAT is anticipating \$2 million in donations from the capital campaign with \$200,000 to \$300,000 of those donations are slated for the construction budget. As to why the construction budget was over \$500,000 Architect Shelane Buehler stated there were many factors involved including a dehumidification process which is crucial for indoor ice rinks. Mr. Catalde assured the Board that once the ice rinks are up and running GREAT will be able to sustain revenue.

Board Member McAtee asked if GREAT had gone to the Erie County Gaming Revenue Authority (ECGRA) for funding. Mr. Catalde confirmed they had approached ECGRA multiple times for funding but was unsuccessful.

Attorney Shimek explained to GREAT that it was difficult for STIEDA to make this decision because it would take over half of what they have in the bank right now and it may hurt other businesses in Summit if they are not able to receive a loan they need as well. Katrina Vincent from the Erie County Redevelopment Authority stated that other funds would be available through the Erie RDA as well as the Pennsylvania Industrial Development Authority to help with Summit businesses if needed.

The Board expressed their concerns regarding the terms of the loan mainly because they would not receive any money for the first full year. Dave Zimmer from Erie Bank stated they have given GREAT a loan in the amount of \$750,000 for construction purposes with the understanding that as money is received from the capital campaign it would pay back the \$750,000. The STIEDA Board requested that once Erie Bank was paid back then they would receive 50 cents on every dollar raised through the capital campaign up to \$250,000 which would be applied directly to the principal of the loan at which point the loan would then resume as submitted for the remainder. The Board also reminded GREAT of a 1% administration fee that would be required to be paid up front. Bob Catalde agreed to these terms.

Motion by McGowan, seconded by Lee to approve the loan for the GREAT proposal as submitted with the agreement that money received from the capital campaign will be used to pay back \$750,000 to Erie Bank then STIEDA will receive 50 cents on every dollar up to \$250,000 which will be applied to the principal and then payments will resume as submitted for the remainder. It will also require the payment of a 1% administrative fee to STIEDA from GREAT up front.

With no further business to come before the Board, motion was made by McGowan, seconded by Sangl, to adjourn the meeting at 8:45pm.

ADJOURNMENT

Respectfully submitted,
Michelle Nesselhauf
Michelle Nesselhauf
Recording Secretary
3/19/18