



6122 South Park Avenue
Hamburg, New York 14075
716.648.4145
www.HamburgIDA.com

**Hamburg Development Corporation
Board of Directors Meeting
March 20, 2023 – 8:30am
6122 South Park & via Zoom**

Present

Evan Maloney
Marlon Kerner
Kevin Rautenstrauch
Molly Georger
Oliva Hill
Jim Ziemer
Marie Domon-Payzch
Jeff Leyonmark

Excused

Karen Mitchell
Shawn Buffum
Ryan Gannon
Nicholas Lord
Nicole McKillen

Guests

Mary Doran, HDC

Executive Director

Sean Doyle

-Roll Call

-Motion to open the Board of Directors meeting at 8:32am.

Moved: Jeff Leyonmark **Seconded:** Jim Ziemer

Ayes: Maloney, Kerner, Rautenstrauch, Georger, Hill, Ziemer, Domon-Payzch, Leyonmark

Nays: none

Carried

-Motion to approve the minutes from the January 2023 Board of Directors meeting.

Moved: Jim Ziemer **Seconded:** Marlon Kerner

Ayes: Maloney, Kerner, Rautenstrauch, Georger, Hill, Ziemer, Domon-Payzch, Leyonmark

Nays: none

Carried

Financial Report

Doyle, spoke on the financials. The current balance on the HDC bank accounts is \$147, 482.22. All the loans are current. Assets total \$564,779.86. The 2022 audit is underway, will be available for review at the next board meeting.

-Motion to approve the February 2023 financial report.

Moved: Oliva Hill **Seconded:** Molly Georger

Ayes: Maloney, Kerner, Rautenstrauch, Georger, Hill, Ziemer, Domon-Payzch, Leyonmark

Nays: none

Carried

Directors Report - 3 potential loan applicants:

-Alchemy was reviewed by the loan committee, applicant answered a few additional questions from the committee and their application looks good except for the environmental component and Planning Department site plan approval. Community Development requires an environmental review of all applicants, it is a HUD rule. The applicant did not feel it was necessary however after multiple discussions, the applicant has decided to do a phase 1 environmental review. Neighboring properties have had to do some remediation. Currently we are waiting on the outcome of the study.

-Hat Trix applied, need additional documentation from them (SLA approval). They are not yet up and operating at their new site on Camp Road.

-Rushcreek Ale House, looking to modify their banquet area with gap funding, waiting on them for evidence of bank funding.

-CARES Grant Update – HDC received an extension thru April 30th and another draw should be disbursed by the end of the week. Hat Trix is lagging on their approved grant application. They have yet to start the purchasing of fixtures etc for their new location. Whatever purchases they do not complete by the April 30th deadline will lose out on the funding.

Doyle has contacted other business about the remaining grant funds however it is tough because an applicant would have to move fast with the grant extension expiring on April 30th.

-Busy Beaver Loan – action needed because the mortgage was filed under business and not under real estate holding company the HDC loan is currently secured as 2nd behind Evans Bank. As a condition of the funding, Pursuit Lending, handling the SBA loan on the project is to secure their position as 2nd on the property, for this to happen the HDC has to release hold on the property or the SBA loan will not close.

HDC has two options:

1. Call the loan and put the business in distress
2. Subordinate to Evans & SBA Loan as well as add personal guarantee to the note

Doyle stated he reviewed their financials to date and they look good. Their loan is current and payments over the past year have been on time. The board discussed the situation at length. Doyle read the following resolution:

Hamburg Development Corporation for Busy Beaver Lawn and Garden, Inc.

WHEREAS, on September 30, 2021 the Hamburg Development Corporation provided a \$100,000 term loan to Busy Beaver Lawn and Garden, Inc.

WHEREAS, the loan was secured with a mortgage of the property at 4415 Southwestern Boulevard, Hamburg, New York 14075

WHEREAS, as of February 28, 2023 the current outstanding balance of the principal is \$87,982.10

And whereas, the loan is current on timely payment

WHEREAS, the mortgage on the subject property is restricting the permanent financing on the project through the Small Business Administration, SBA 504 Loan program.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. *The Hamburg Development Corporation will approve and file a discharge of mortgage for the property at 4415 Southwestern Boulevard, Hamburg, New York 14075*
2. *The Hamburg Development Corporation Loan is subordinate as a payment to clear to both Evans Bank and SBA 504 notes*
3. *The owner's acknowledge a personal guarantee is in place for the principal balance*
4. *Busy Beaver Lawn and Garden, Inc. is responsible for all attorney fees and recording fees for this action*
5. *All other terms, conditions and agreements remain in place until the principal balance to the Hamburg Development Corporation is fully satisfied*
6. *This resolution will take effect immediately*

Adopted March 20, 2023

-Motion to approve the above resolution to Busy Beaver.

Moved: Jim Ziemer **Seconded:** Jeff Leyonmark

Ayes: Georger, Hill, Ziemer, Domon-Payzch, Leyonmark

Nays: none

Abstain: Rautenstrauch, Maloney

Carried

Note - Kerner left meeting before vote.

Meeting adjourned at 9:05am

Respectfully submitted,

Sean Doyle
Executive Director, Hamburg Development Company