



6122 South Park Avenue
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**Hamburg Development Corporation
Board of Directors Meeting
June 4, 2024 – 8:00am
6122 South Park Avenue & via Zoom**

Present

Molly Georger - Zoom
Kevin Rautenstrauch - Zoom
Ryan Gannon
Jeff Leyonmark - Zoom
Vince Ricotta
Shawn Buffum
Marie Domon-Payzch
Patrick Williams
Jeff Halas

Excused

Marlon Kerner
Nicholas Lord
Karen Mitchell
Jim Ziemer

Guests

Mary Doran, HDC

Executive Director

Sean Doyle

-Roll Call

-Motion to open the Board of Directors meeting at 8:09am.

Moved: Sean Buffum **Seconded:** Marie Domon-Pazych

Ayes: Georger, Rautenstrauch, Gannon, Leyonmark, Ricotta, Buffum, Domon-Payzch, Williams, Halas

Nays: none

Carried

-Motion to approve the minutes from the March 26, 2024 Board of Directors meeting.

Moved: Vince Ricotta **Seconded:** Jeff Halas

Ayes: Georger, Rautenstrauch, Gannon, Leyonmark, Ricotta, Buffum, Domon-Payzch, Williams, Halas

Nays: none

Carried

Director Doyle reviewed the financials; all loans are current, NSF issue with Bliss Bridal has been resolved, Village Vet made their final loan payment this month (May) and the restricted account has approximately \$182,000 available for lending.

Doyle met with the principals of Alchemy/Shore House. Their loan approval letter expired December 31, 2024. They will reapply for a loan after they receive project approval from the Hamburg Town Board.

Motion to approve the Treasurer's reports for the period ending April 30, 2024

Moved: Shawn Buffum **Seconded:** Vince Ricotta

Ayes: Georger, Rautenstrauch, Gannon, Leyonmark, Ricotta, Buffum, Domon-Payzch, Williams, Halas

Nays: none

Carried

Directors Report/New Business:

Charles Schmidt/ SPT Semi Private Training Loan Application, Doyle stated the Loan Committee reviewed his application and went back to Charles for more information. He currently operates out of a leased space on St. Francis Drive in Hamburg. He has been working with the Southtowns Regional Chamber of Commerce and has been in business for the past few years. His current financials do not show a lot of revenue and he himself does not show a lot of personal assets. This loan would diversify the HDC loan portfolio, currently very heavy in the hospitality category.

He applied for a \$50,000 5 year loan half for equipment and half to fund a full time employee's salary. If approved he would hire a PT and FT employee. The FT employee would market/grow the business. Doyle suggested if approved could defer the loan payments for 3 months until the new employee is hired, trained and had time to recruit new clients.

Board concerns:

- finding a quality employee
- the pro-forma – super aggressive
- no debt listed for the loan
- high cash projections
- would like to see proof of client list

Board thought a line of credit through another source outside of a traditional bank would make more sense to fund an employee's salary, that way if the employee did not work out you are only paying back what you borrowed, not a 5 year loan commitment.

Board Positives:

- SPT has a good presence on Social media
- Charles Schmidt, owner, has the appropriate trainer credentials
- Different type of training "Orangetheory"
- Personal guarantee, UCC filing on the equipment

-Motion to approve a \$25,000 5 year term loan with 3 month deferment to SPT Semi Private Training LLC for business equipment to include loan closing costs with a personal guarantee and UCC filing on the equipment and one FTE job created.

Moved: Marie Domon-Payzch **Seconded:** Pat Williams

Ayes: Georger, Rautenstrauch, Gannon, Leyonmark, Ricotta, Buffum, Domon-Payzch, Williams, Halas

Nays: none

Carried

First Line Brewery/Lassos's Chicken and Barbeque, Doyle stated the loan committee reviewed their application as well and went back to them for more information on the cost of the equipment. There are 2 larger partners with 40% ownership in the business. The application is for a 10 year \$55,125 Gap Loan to fund kitchen equipment. They have obtained a \$200,000 bank loan to support the kitchen build out at 50 Buffalo Street in Hamburg.

Board Positives:

- Own and successfully operate First Line Brewing in Orchard Park (no debt)
- Own and operate Black Smoke Bourbon Bar in Hamburg (has debt)
- Each owner provided list of personal assets
- Good pro-forma/business plan
- Their forecast supports loan payments
- Personal guarantees
- Employment projections support employment requirements
- Track record of success

-Motion to approve a \$55,125 term loan to First Line Brewing, LLC doing business as Lasso's Chicken and Barbeque for restaurant kitchen equipment. Term 10 years with personal guarantee required for owners 30% or more. 2 full -time jobs created.

Moved: Ryan Gannon **Seconded:** Jeff Halas

Ayes: Georger, Rautenstrauch, Gannon, Leyonmark, Ricotta, Buffum, Domon-Payzch, Williams, Halas

Nays: none

Carried

Doyle stated with prime as high as it is now new HDC loans will be in the range of 6 percent. He looked into the HDC by-laws and to change the rate the HDC would need approval from Community Development and the Hamburg Town Board. A rate freeze at 4% would follow in line with the ECIDA loan rate, something for the board to think about.

-Motion to adjourn at 8:49am

Moved: Shawn Buffum **Seconded:** Vince Ricotta

Ayes: Georger, Rautenstrauch, Gannon, Leyonmark, Ricotta, Buffum, Domon-Payzch, Williams, Halas

Nays: none

Carried

Respectfully submitted,



Sean Doyle, Executive Director
Hamburg Development Corporation