

Meeting Minutes: Loan Sub-Committee Meeting 2/25/25

- The EDAB Loan Sub-Committee meeting was held on 2/25/2025 at 8:30 a.m. at Har-Co Resource Center, 54 Lee Street in Bel Air.
- Members in attendance: Gil Kennedy (Sub-Committee Chair), Tom Knapp, Judith Wettig, Wayne Goddard, and DED staff Bonnie Barresi, Raj Goel, and Michelle Taylor.
- Chris Streett-Excused Absence

Summary:

The purpose of the meeting was to discuss any changes to the current loan policy and discuss some potential new uses for the EDOF loan fund.

- The meeting minutes from 1/28/25 were approved with a quorum of four members.
- The five loans currently in the DED portfolio are paid by agreement.
- MJT Holdings (Brightstar Care) was settled on 2/21/25 for \$200k. The consensus was that the Council process was slow but relatively easy.

Route 40 Pilot Program Update:

- Raj provided an outline of a draft proposal for an additional use of the EDOF loan fund.
- Under the terms of the draft proposal, if an applicant rehabilitates an existing structure zoned for industrial or commercial use and improves such existing structure's market use, the applicant would be able to receive expedited processing of permit applications and would be eligible to apply for up to \$300,000 as an interest-free-but-repayable loan to cover the cost of any water and sewer hook-up fees.
- The goal of this draft proposal is to spur redevelopment and adaptive reuse projects in the Route 40 region (e.g., Edgewood or Joppa).
- The above draft proposal, if implemented, would be a pilot program which would expire the earlier of July 15, 2026, or when one or two projects have been approved; this program would then be evaluated to determine whether it should continue or be modified in some manner.
- The repayment terms have not been decided yet and further analysis regarding same is needed. In addition, we need to determine whether it is best to keep this pilot program within the current constraints of the EDOF loan program (maximum \$200k loan and a 3% interest rate).
- Loans are always cross defaulted and cross collateralized as we would subordinate to the primary lender on the project who would set the terms.
- Raj will confer with other necessary stakeholders to further evaluate the merits of the draft proposal, including the EDAB Land Use Sub-Committee (Raj is scheduled to confer with this committee on Thursday 2/27 for discussion). Should the CE approve, additional measures would need to be considered including designated allocation of the Economic Development Opportunity Fund for the pilot; preparatory communications and appetite of the Council to raise CE funding authorization, and any necessary adjustments to the current Loan Policy.
- Raj will continue this conversation with the Land Use Subcommittee on Thursday
- Please note that the committee expressed interest in expanding similar incentives for development projects on the Route 22 corridor.

Loan Policy Review

- The EDAB Loan Sub-Committee reviewed the current loan policy for recent updates or changes.
- The EDAB Loan Sub-Committee agreed that the current loan policy does not need any updates at this time.

Miscellaneous:

- Kooper's Tavern has met with Bonnie regarding our loan program as a referral from Jarrettsville Federal, the primary lender on a new location coming to Havre de Grace. This is a large project to possibly include VLT loans.
- Charm City Run is also in discussions regarding the EDOF loan fund.
- Bonnie is receiving several calls hoping to use EDOF Funds to refinance higher interest rate loans, however, this is not in keeping with the current loan policy.
- Gil met with the leaders of local banks as well as the County Executive to discuss the EDOF loan fund.
- Challenges have been encountered with our current title company regarding incorrect loan documentation. Bonnie asked the Loan Sub-Committee if they had recommendations for any alternate companies.
- Gil adjourned the meeting.

Action Items:

- Loan Sub-Committee: Forward any title company recommendations to Bonnie.
- Raj: Presentation to the Land-Use Sub-Committee regarding Route 40 pilot program; further evaluate and refine terms of pilot program.
- Bonnie: Continue discussions with Kooper's Tavern and Charm City Run possible loan application requests.

Next meeting: Tuesday, March 25, 2025, at 8:30 AM at Har-Co Resource Center in Bel Air.