

RESOLUTION NUMBER 17, 2019

Resolution to authorize the executive director and solicitor to enter into negotiations and execute an agreement with Downtown North East (DNE) for a \$400,000 mission-related investment (MRI) loan for the purpose of proactively revitalizing buildings in the main street and commercial corridors deemed necessary to stabilize and improve the Borough of North East.

Whereas, ECGRA established the Neighborhoods and Communities focus as a funding stream to make both grants and MRIs within Erie County to support distressed neighborhoods, historic structures, and commercial corridors; and

Whereas, ECGRA's mission of economic and community development recognizes:

- A. the importance of supporting projects that revitalize main streets and commercial corridors hosting small businesses, and
- B. the importance of preservation and adaptive reuse of historic structures for community benefit, and
- C. the importance of local self-determination to proactively organize financing vehicles that support revitalization

Whereas, the PA Economic Development Financing Law finds that the unavailability of private credit sources for redevelopment areas in distress has a detrimental effect on the ability of residents to access employment, cultural, and business opportunities, and

Whereas, entities such as the authority have as its purpose the ability to promote the establishment and development of funding vehicles to eliminate blight or otherwise improve an area for industrial, commercial, and other economic activity through debt financing, and

Whereas, ECGRA's approach to Neighborhoods and Communities recognizes that entities such as Downtown North East (DNE) acting as a community development corporation are revitalizing historic main streets and commercial corridors, and

Whereas, DNE has demonstrated and agrees to the following:

1. that it qualifies to apply for an MRI in the asset class known as fixed income per ECGRA's impact investment policy, and
2. that it has the experience in this asset class through previous redevelopment work, and
3. that the rehabilitation project under consideration will be in the boundaries of Erie County, under the supervision of a nonprofit in good standing with the IRS and local government entities, and based in Erie County, and

4. that it requires a \$400,000 MRI for a term of 10 years because of a critical gap in available financing, and
5. that the MRI is available upon the contingency that the project's fundraising goals per building are met before the release of funds, and that the executive director and solicitor will be satisfied that fundraising milestones have been met before funds are released, and

Whereas, in accordance with ECGRA's impact investment policy and by the recommendation of the strategic planning committee, ECGRA seeks to enter into an MRI with the DNE by authorizing the executive director and solicitor to negotiate and execute on terms and conditions in order to effectuate the MRI;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Erie County Gaming Revenue Authority, pursuant to the Economic Development Financing Law and the ECGRA Bylaws, awards a mission-related investment to Downtown North East in the amount of \$400,000 subject to contract negotiations with the executive director and legal counsel.

On the motion of _____, seconded by _____.

This resolution was passed on 17th day of October, 2019 by a vote of ____ - ____.

ERIE COUNTY GAMING REVENUE AUTHORITY

Chairman, Erie County Gaming Revenue Authority

October 17, 2019

ATTEST:

Secretary, ECGRA