



COUNTY OF ERIE

OFFICE OF THE COUNTY EXECUTIVE

Brenton Davis,
County Executive

January 19, 2024

Subject: Request for Comprehensive Loan Portfolio Report

To: Erie County Gaming Revenue Authority Board Members

Dear Board of Directors,

I trust this letter finds you well. I am writing to request a comprehensive report on the status of the loan portfolio managed by the Erie County Gaming Revenue Authority. As a concerned stakeholder, I am particularly interested in understanding the performance of each loan, identifying any delinquent accounts, and assessing the overall collectability of the entire portfolio.

To facilitate this request, I have summarized the key details of each loan agreement based on the information available to me. I kindly ask for a detailed report on the following aspects for each loan:

- Status:** Provide an update on the status of each loan, including any significant developments or changes since the last available information.
- Delinquency and Collectability:** Clearly outline the number of loans that are currently delinquent and the status of efforts to collect on these accounts. Additionally, specify any loans deemed uncollectable and the Authority's approach to managing such cases.
- Detailed Loan Portfolio Summary:** Include a comprehensive report on each loan, covering the initial agreements, restructuring (if any), payment terms, and outstanding balances as of the most recent data available.

Loan Summaries and Amounts:

- Enterprise Development Fund of Erie County, Inc. (Fund)
 - Initial Agreements: \$500,000 (September 13, 2012) and \$800,000 (August 13, 2013)
 - Restructured into one agreement in March 2018
 - Quarterly interest-only payments at 1% per annum until March 31, 2028
 - Outstanding principal: \$1,300,000 (March 31, 2023)
 - Monitored due to bankruptcy filing by related entity (GEIDC)
- Corry Industrial Benefit Association (CIBA)
 - Loan Agreement: \$50,000 (September 2014)
- Bridgeway Capital
 - Erie Growth Fund: \$1,000,000 (January 2016)
 - Interest-only quarterly payments at 3% per annum
 - Principal due January 2026
 - Outstanding principal: \$1,000,000 (March 31, 2023)

- Erie Inclusive Fund: \$2,500,000 (September 2018)
- Interest-only quarterly payments at 1% per annum
- Principal due December 2028
- Outstanding principal: \$2,500,000 (March 31, 2023)

4. The Progress Fund

- Loan Agreement: \$1,000,000 (April 2017)
- Interest-only quarterly payments at 2% per annum
- Principal due January 2026
- Outstanding principal: \$1,000,000 (March 31, 2023)

5. 1855 Capital Fund

- Loan Agreement: \$500,000 (December 2017)
- Semiannual minimum interest payments
- Principal due December 2027
- Outstanding principal: \$500,000 (March 31, 2023)

6. Blue Highway Capital - Loan Agreement: \$250,000 (January 2019)

- Semiannual minimum interest payments
- Principal due January 2029 (unless extensions are exercised)
- Outstanding principal: \$250,000 (March 31, 2023)

Coronavirus COVID-19 Emergency Loan Funds

7. - Bridgeway Capital: \$520,000 (March 2020)

- Two funds for small businesses and nonprofits
- Zero interest
- Entire outstanding balance due in October 2026 (unless forgiveness clause is exercised)
- Outstanding principal: \$620,000 (March 31, 2023)

8. Erie Center for Arts & Technology

- Loan Agreement: \$500,000 (August 2020)
- Quarterly minimum interest payments
- Principal due in August 2027 (unless extensions are exercised)
- Outstanding principal: \$500,000 (March 31, 2023)

9. Youth Leadership Institute of Erie

- Loan Agreement: \$188,000 (January 2022)
- Zero-percent interest rate
- **Original maturity date of February 2023 (extended to approximately June 2025)**
- Outstanding principal: \$121,824 (March 31, 2023)

4. **Total Loan Amounts:**

- Sum of all loan agreements mentioned: **\$9,458,000**

5. **Total Outstanding Principal** (as of March 31, 2023):

- Combined outstanding principal balances: **\$7,969,824**

6. Difference Analysis:

- The difference between the total loan amounts and the total outstanding principal is \$1,488,176. This represents the amount repaid or does not contribute to the current outstanding balances of the loans as of March 31, 2023.

7. Patient Loans:

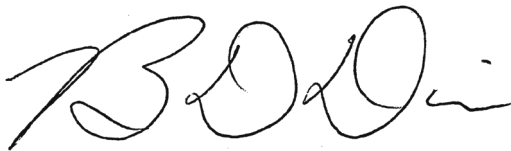
Please identify and provide any details on “patient loans,” which are loans that take a subordinate position until others are paid off. I am specifically requesting the amount of interest being charged in the “patient period”, the number and amount of loans that must be repaid before repayment becomes active on the ECRA or Bridgeway loans, and the total expected repayment including principle and interest as well as the target repayment period.

I believe that a detailed overview of the loan portfolio will enhance transparency and understanding among stakeholders. This information will contribute to informed decision-making and foster confidence in the Authority's financial management.

Please provide the requested report prior to the next ECGRA meeting, and feel free to contact me if any clarification or additional information is required.

Thank you for your attention to this matter. I look forward to receiving the comprehensive loan portfolio report.

Sincerely,

A handwritten signature in black ink, appearing to read "Brenton Davis". The signature is fluid and cursive, with the first name being the most prominent.

Brenton Davis
Erie County Executive