

Claremont Development Authority

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FULL BOARD MEETING

Thursday, September 25, 2014 7:30 a.m.
Visitors Center, 14 North Street, Claremont, NH

MINUTES

Approved 10/23/2014

I. Roll Call

Present: Robert Porter, Andre Lafreniere, Martha Maki, Joseph Gorman, Thomas Rock, Michael Satzow

Absent: Alan Spahr, Keith Raymond, Candace Crawford

City Staff: Nancy Merrill, Director of Planning & Development; Zach Williams, Business Development Coordinator; Kurt Beek, Project Manager

II. Review Minutes

Motion: To approve the minutes of August 28, 2014 as presented.

Made by: Mr. Porter **Second:** Mr. Satzow

Vote: Unanimous in favor

III. Finance Report

a. August

Motion: To accept the August financial statement.

Made by: Mr. Satzow **Second:** Mr. Gorman

Vote: Unanimous in favor

b. Update and Recommendations

The Finance Committee has met twice. They have been discussing the promissory note on the boiler that's due November 3 for \$160,000 and funding coming into the account from the sale of Fulling Mill (\$110,000 plus the \$4100 in escrow). They have discussed how to handle the loan and upcoming repair projects at the Farwell.

Mr. Beek summarized the proposed projects:

- Exterior drainage work –
 - Option A (\$12,000) interior work at #1 Tremont
 - Option B (\$21,500) exterior work along Opera House Square
- Annex Demolition –
 - Option A (\$35,000) demo with slab over utility basement
 - Option B (\$45,000) demo with infill and relocation of utilities
- Façade Improvements (completed, under budget)
- Fill, level and seed Tenney foundation

Recommendations from the Finance Committee were to pay off the boiler loan with the funds from the Fulling Mill sale and additional funds from the MBIA account and then obtain a loan of \$150,000 to fund the projects at the Farwell plus work on other properties. The mortgage would be on the Farwell building. City Treasurer Lisa Richmond has been soliciting information from area banks for the

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mortgage. Several proposals have been received, but they are all structured differently, so Ms. Merrill recommended that the Finance Committee review them before the Full Board makes any final decisions.

Motion: To authorize the Chair to proceed with the mortgage subject to details and final approval by the Finance Committee.

Made by: Mr. Gorman **Second:** Mr. Porter **Vote:** Unanimous in favor

IV. Old Business

a. Fulling Mill

They have received all of their approvals and are moving forward.

b. Syd Clarke

Timbering is ongoing.

deForest and Hani are working on a project to help with the sale of the Shoemaker house.

c. Brown Block

BFA wants to exercise the put option. If the CDA is willing to assign all of their loan documents to BFA, they will file a release for any obligation by the City or CDA.

Motion: To Assign Loan Documents to New Hampshire Business Finance Authority, September 25, 2014.

Recitals.

The City of Claremont (the “City”), by and through the Claremont Development Authority (“CDA”), received a loan from the New Hampshire Business Finance Authority (“BFA”) in the amount of \$450,000.00 on March 16, 2007 (the “BFA Loan”).

The City of Claremont, acting through Claremont Development Authority, used the BFA Loan funds to make a loan to CCML New Hampshire Investment Fund III, LLC, (the “Brown Block Loan”) in connection with the tax credit financing for the renovation of the Brown Block building (the “Brown Block Financing Project”).

As collateral for the BFA Loan, CDA collaterally assigned all of the documents in connection with the Brown Block Loan (the “Brown Block Loan Documents”) to BFA.

The Brown Block Loan is in default. The real estate was foreclosed on. The estimated amount of any proceeds payable to CDA as a result of the foreclosure and wind up of the Brown Block Financing Project is \$8,010.90 (the “Unwind Payment”), which would then be payable to BFA in accordance with the BFA Loan Documents.

BFA has agreed to accept the absolute assignment of the Brown Block Loan Documents, including rights to the Unwind Payment and any claims against any of the other parties to the Brown Block Financing Project, in exchange for a release of any obligation by the City and CDA to BFA for the BFA Loan.

The Board finds that it is in the interest of CDA and the City to end their involvement in the Brown Block Financing Project.

Accordingly, it is

VOTED: The Chairman is authorized to execute an absolute assignment of the Brown Block Loan Documents to BFA, in exchange for a release of any obligations to BFA under the BFA

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Loan Documents. The Chairman is further authorized to execute all other documents and take all other actions he considers necessary and appropriate to carry out the foregoing authorization.

Made by: Mr. Satzow **Second:** Mr. Gorman
Vote: Unanimous in favor

V. New Business

There was no new business.

VI. Non-public Session

There was no business to discuss in non-public session.

VII. Other

VIII. Adjourn

Motion: To adjourn the meeting

Made by: Mr. Porter **Second:** Mr. Gorman

Vote: Unanimous in favor

The meeting adjourned at 8:19 AM.

Respectfully submitted,
deForest Bearse
Resource Coordinator