

COUNTY OF ULSTER
OFFICE OF ECONOMIC DEVELOPMENT
P.O. BOX 1800, 244 FAIR STREET
KINGSTON, NEW YORK 12402

MICHAEL P. HEIN
County Executive

SUZANNE HOLT
Director



Telephone: 845-340-3556

Fax: 845-334-5724

To: James Maloney, Chair
Members of the Ulster County Revolving Loan Fund Committee

From: Tim Weidemann, Senior Economic Developer

Re: Request to Refinance Loan to Bread Alone

Date: February 9, 2018

Loan Summary

Borrower:	Bread Alone, Inc.
Origination Date:	7/30/2013
Loan Amount:	\$300,000 (USDAIRP and CDBG funds)
Term:	20 year amortization, 5 year balloon
Interest Rate:	4.0%
Monthly Payment:	\$1,817.94
Use of Proceeds:	Capital Equipment (sewer connection and pumps)
Collateral and Guarantees:	Commercial ovens at 3962 Route 28, Boiceville; Personal guarantees by Sharon Burns-Leader and Dan Leader
Job Creation:	Maintain 42 full-time and 36 part-time jobs; create 6 new full-time jobs over five years

Background

On July 30, 2013 the UCRLF originated two loans to Bread Alone as part of a combined financing package to purchase capital equipment and renovate their building in Lake Katrine. The total loan amount from the UCRLF was \$300,000.

According to the terms of the loan agreements, the loans were to be repaid based on a 20-year amortization schedule, at an annual interest rate of 4.0%. The loan is subject to a balloon payment five years after the origination date, which will be due on August 31, 2018.

Though the company has occasionally missed the due date of its monthly payments, it has always made up those payments and has paid off all accrued interest and late fees.

Refinancing Request

The company has requested to refinance the remaining balance for a new term of 10 years from the new closing date, at the same 4.0% interest rate.

Assuming a closing date of 4/30/2018, the remaining principal balance on the company's two existing loans would be \$ \$249,733.16. At an annual rate of 4.0%, for a term of 10 years, the new monthly payment would be approximately \$2,528.

By refinancing this loan, the UCRLF would forgo the collection of a one-time lump-sum payment of the remaining principal, which is due by 8/31/2018. In return, the UCRLF would receive a 1% closing fee of approximately \$2,500 and would collect monthly principal and interest payments of \$2,528. Over 10 years, this new loan would provide a total of approximately \$53,000 in interest payments to the UCRLF.