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Community First Fund, PeoplesBank and Hotel Lancaster Announce Financing Deal for Property Redevelopment Project

(Lancaster, PA): This morning Daniel Betancourt, President and CEO of Community First Fund, The Honorable Danene Sorace, Mayor of Lancaster, Eric Warfel, Senior Vice President and Director of Commercial Lending for PeoplesBank, Lyle Holser, Vice President of Economic Development Company of Lancaster County (EDC), and local real estate developer John Meeder, formally announced the completion of a multi-faceted financing deal for a project in the heart of Lancaster.

Lancaster developers John Meeder and Sam Wilsker, along with a group of investors, recently closed on a \$23 million financing package to convert The Hotel Lancaster, formerly the Brunswick Hotel, into a Holiday Inn Resort. The remodeled hotel will accommodate 86 new guest rooms, along with a full-service restaurant and banquet facilities. Once completed, the facility will create 66 new jobs and retain 36 jobs for a total of 102 employment opportunities in downtown Lancaster.

Community First Fund organized the lending group, led by PeoplesBank, which committed a \$12.3 million permanent loan to the project. The Lancaster County EDC was also a major player in the project by forwarding a \$6.25 million Building PA loan that they received from the Pennsylvania Department of Community and Economic Development. Additionally, M&T Bank, in conjunction with Ephrata National Bank and Union Community Bank, provided \$6.25 million in construction financing.

In addition to the financing detailed above, Community First Fund provided a \$4.85 million permanent loan for the project. Other participants in this segment of the loan package include Commonwealth Cornerstone Group, a non-profit run by the Pennsylvania Housing Finance Agency, and Bridgeway Capital, a Community Development Financial Institution based in Pittsburgh. Lancaster's City Revitalization & Improvement Zone Authority (CRIZ) previously approved the hotel project to receive the benefits of a state tax incentive. The CRIZ allows for the majority of state

taxes that will be generated by the Holiday Inn to be used for debt service to repay the loan to Community First.

Mary Kay Eckenrode, Community First Fund's Director of Real Estate Lending, has worked with the developers Meeder and Wilsker since they first acquired the hotel in November of 2014. Over the past 24 months, she has worked on structuring the complex financing deal.

"Collaboration was critical in getting this large project completed," says Eckenrode. "It is gratifying to see PeoplesBank step up and anchor the project and to have other local banks work together on this major redevelopment effort. We are also honored that statewide lending partners have chosen to join us."

Community First Fund has played a significant role in another major development project currently underway in downtown Lancaster. Besides providing financing to the owners of the Hotel Lancaster over the past four years, they also awarded an \$8 million New Markets Tax Credit allocation for the extensive renovation of the former Bulova building at 101 North Queen Street into the 101 NQ mixed-use complex. Together, these projects will create over 300 new jobs in the city.

"The transformation of the hotel, coupled with the 101 NQ project at the other end of the block, will complete the revitalization of the entire Lancaster Square," says Daniel Betancourt, president and CEO of Community First Fund. "Queen Street, from Orange Street to Chestnut Street, will be a vibrant hub of retail and office spaces, apartment units and a resort hotel. These are businesses that will provide jobs and improve the quality of life for those that live and work in the city."

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About Community First Fund

Community First Fund is the premier economic development organization serving the low income communities of central and eastern Pennsylvania. The 501(c)(3) nonprofit organization provides loan capital to businesses, real estate developers, and community support organizations throughout the region. Since 1992, Community First Fund has made more than 1650 loans and investments totaling over \$210 million to businesses, affordable housing and community based developers, and community based programs and initiatives. Get more information on Community First Fund at www.communityfirstfund.org.