

Buffalo Economic Renaissance Corporation
Minutes of the Meeting of the Board of Directors

920 City Hall
January 20, 2010

1.0 **Roll Call**

Members Present

Clifford Bell
Kevin Brady
Mayor Brown
Donna Brown
Michael Kubala
Thomas Kucharski
Frank Mesiah
Carolyn Murray
Adam Walters

Staff

Divitta Alexander
Eric Gadley
E.J. Walton
Geraldine Ford
Mike Marcy
Gina Granville
Talisha Myles

Guest: Ann O'Donnell, City Comptroller's Office
Kate Trautman, City Comptroller's Office
Darryl McPherson, City Auditor – Comptroller's Office
Mike Ervin, Freed Maxick & Battaglia
Patrick Clancy, Freed Maxick & Battaglia
Bob Glaser, Freed Maxick & Battaglia

2.0 **Reading of the Minutes**- A motion was made by Mr. Mesiah to approve the minutes of December 16, 2009 with the amendment to capture the action taken concerning Item 9.0 (Executive Session) which was a motion to decline financing to Innovated Chemical made by Mr. Walters, seconded by Mr. Kubala and unanimously carried.

3.0 **Monthly Financial Report**- upon motion by Mr. Brady, seconded by Mayor Brown and unanimously carried the monthly financial report ending November 30, 2009 was approved.

4.0 **President's Report**- Mr. Kucharski highlighted the following:

- A. **Real Estate-** Mr. Kucharski stated that BEREC has executed three (3) new leases and renewed two (2) leases, they are as follows:

New Leases

Wing King- Tenant is new and leasing 168 sq ft space at the Market Arcade Building for a one (1) year term. A motion to approve this lease was made by Mr. Walters, seconded by Mr. Bell and unanimously carried.

Altreuter Attorney at Law- Tenant is new and leasing 195 sq ft space at the Market Arcade Building for a one (1) year term. A motion to approve this lease was made by Mr. Murray, seconded by Ms. Brown and unanimously carried.

Preservation Buffalo Niagara- Tenant is new and leasing 1,280 at the Market Arcade Building for a three (3) year term. A motion was made to approve this lease by Mr. Mesiah, seconded by Mr. Bell and unanimously carried.

Renewals

Flynn Battaglia Architects- Tenant has been a tenant since 1999. It is currently leasing 3,200 sq ft space at the Market Arcade Building and renewed its lease for one (1) year with an (exercise lease extension option). A motion to approve was made by Mr. Walters, seconded by Mr. Brady and unanimously carried.

Fowler's Chocolate- Tenant has been a tenant since 1994. It is currently leasing 17,110 sq ft space at the Can Am building. Its lease is being extended for a thirty (30) month lease extension to include an additional monthly payment for outstanding utility charges. A motion to approve was made by Mr. Mesiah, seconded by Mr. Bell and unanimously carried.

- B. **Empire Zone-** Ms. Ford stated that since the board report, six (6) applications were reviewed and approved by the Empire Zone Administrative Board (ZAB), bringing the total number of applications pending with Empire State Development (ESD) to eight (8). Those recently submitted applications anticipate investment of over \$113 million and job creation of 124 new positions over the next three (3) years.

Concord Textile Care Products' application has been submitted to ESD for Regionally Significant Project approval.

In addition, Ms. Ford updated the Board relative to the Empire Zone Program. She stated that the State is discussing ideas including extending the program for a year for manufacturers and changing the program.

C. **Lending**

Loan(s) Closed in December- No loans closed in the month of December.

Loans Approved Pending Closing- There are four loans approved and not yet closed. They are as follows: **Chima & Bains, Flexo Transparent, Inc., Industrial Support, Inc.** and **Cedar's Bakery** totaling \$500,000.00.

Active Deals in Underwriting- Five deals are active with possible funding. They are as follows: **Artvoice, L&D Johnson Plumbing and Heating, Wellness Family Practice, Ingenious, Inc.** and **McDonald's-Grider/William Street** totaling \$287,000.00.

D. **Business Development**- Combined with Lending

E. **President's Report – Miscellaneous Notifications**

1. Ongoing Solicitations – BERC will solicit for the following services:
 - a. Legal (Collections, Pension, Employee Handbook, Miscellaneous)
2. Broadway Market – In November 2008, BERC hired 3 FTEs (porters) to ensure seamless operation of the Broadway Market upon the untimely departure of the Market's previous management company. One of the FTEs recently resigned. The position will not be refilled with a BERC employee. Instead BERC has engaged a temporary service to provide an employee at a cost that is projected to be close to the cost of the full time employee. However, the temporary relationship will afford more flexibility (i.e. to engage services only as needed) and ease of eliminating the position if needed.

Upon motion by Mr. Walters, seconded Mr. Mesiah and unanimously carried the President's report was approved.

5.0 Action Items

- 5.1 **Real Estate Committee Charter-** Submitted to the BERC Board of Directors (“Board”) is a request to adopt the attached Real Estate Committee Charter (the “Charter”) effective immediately.

In addition, BERC seeks authority from the BERC Board of Directors to take all such action, provide all such information, expend or apply such BERC funds, execute all documents, and exercise all such decision making as is in the discretion of the BERC President, reasonably necessary to facilitate the adoption of the Charter.

Upon motion by Mr. Walters, seconded by Ms. Murray and unanimously carried the above item was approved in its entirety.

- 5.2 **Procurement Policy-** Submitted to the BERC Board of Directors (“Board”) is a request to adopt the attached Procurement Policy (the “Policy”) effective immediately.

In addition, BERC seeks authority from the BERC Board of Directors to take all such action, provide all such information, expend or apply such BERC funds, execute all documents, and exercise all such decision making as is in the discretion of the BERC President, reasonably necessary to facilitate the adoption of implementation of and compliance with the Policy.

Mayor Brown expressed concern about the policy as it relates to minority and women owned business. Staff agreed to strengthen the policy as it related to minority and women owned business participation. The Governance Committee will review the proposed changes. An amended policy will ultimately be submitted to the Board for adoption.

Upon motion by Mr. Mesiah, seconded by Mayor Brown and unanimously carried the above item was approved.

- 5.3 **BERC-BURA Master Lease Agreement-Market Arcade Building-** Submitted to the BERC Board of Directors (“Board”) is a request to extend the BERC-BURA master lease agreement concerning the Market Arcade Complex dated February 1, 1999 (“Agreement”) for an additional one-year term to run from June 1, 2009 through May 31, 2010.

In addition, BEREC seeks authority from the BEREC Board of Directors to take all such action, provide all such information, expend or apply such BEREC funds, execute all documents, and exercise all such decision making as is in the discretion of the BEREC President, reasonably necessary to facilitate the one year extension of the Agreement.

Upon motion by Mr. Walters, seconded by Mr. Mesiah and unanimously carried the above item was approved in its entirety.

- 5.4 **Loan Committee-** Submitted to the BEREC Board of Directors (“Board”) is a request to appoint and/or reappoint the below named individuals to the Business Loan and Grant Committee effective immediately. Additionally, the Committee is authorized to approve all loans up to \$300,000 (inclusive) on behalf of the Board of Directors, and all BEREC grants.

Business Loan and Grant Committee:

1. Michael Kubala
2. Donna Brown
3. Carolyn Murray

Eric Gadley, as Chief Lending Officer, shall be ex officio Chair (without voting rights)

Upon motion by Mr. Mesiah, seconded by Mr. Walters and unanimously carried the above item was approved in its entirety.

- 5.5 **Federal Government Relations Services-** Submitted to the BEREC Board of Directors (“Board”) is a request to engage American Continental Group to conduct federal relations services for BEREC and the City of Buffalo for a term of one year and a total price not to exceed \$117,000.

In addition, BEREC seek authority from the BEREC Board of Directors to take all such action, provide all such information, expend or apply such BEREC funds, execute all documents, and exercise all such decision making as is in the discretion of the BEREC President, reasonably necessary to facilitate the implementation and execution of the above referenced engagement.

Mr. Kubala made a recommendation that when this contract expires, funding for these services will come from another organization other than BEREC.

A motion to approve the above item in its entirety was made by Mr. Mesiah, seconded by Ms. Brown, Mr. Walters voted no and all other Directors voted yes.

- 5.6 **Real Estate Appraisal Services-** Submitted to the BERCC Board of Directors (“Board”) is a request to engage Klauck, Lloyd and Wilhelm to perform the real estate appraisals more fully described on the attached spreadsheet, for a total cost of \$12,214.45.

In addition, BERCC seek authority from the BERCC Board of Directors to take all such action, provide all such information, expend or apply such BERCC funds, execute all documents, and exercise all such decision making as is in the discretion of the BERCC President, reasonably necessary to facilitate the implementation and execution of the above referenced engagement.

Upon motion by Mr. Walters, seconded by Mr. Mesiah and unanimously carried the above item was approved in its entirety.

6.0 **Committee Reports**

- 6.1 **Finance/Audit-** No meeting. The committee is awaiting the 2009 audit report.
6.2 **Real Estate-** Committee is planning to have another strategic session.
6.3 **Governance-** Committee met and worked on the Procurement Policy and discussed the Board Retreat.

7.0 **Special Projects-** There were no special projects to discuss.

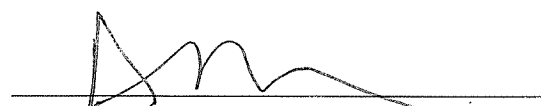
8.0 **Tabled Items-** There were no tabled items to discuss.

9.0 **Executive Session-** There was no executive session.

10.0 **Adjournment-** Upon motion by Mr. Mesiah, seconded by Ms. Murray and unanimously carried the meeting adjourned at 1:45 P.M.

Respectfully submitted,

By: 
Talisha Myles, Recording Secretary

Approved by: 
Divitta Alexander, Secretary of the Board