

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

920 City Hall
February 17, 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

Dennis Penman
Divitta Alexander
E.J. Walton
Eric Gadley
Geraldine Ford
Stewart Levy
Wayne Kwiatkowski
Gina Granville
Talisha Myles

Guest: Pat Lakamp, Buffalo News
Channel 4 News
Ann O'Donnell, City Comptroller's Office
Kate Trautman, City Comptroller's Office
Darryl McPherson, City Auditor – Comptroller's Office

2.0 **Reading of the Minutes**- A motion was made by Ms. Murray to approve the minutes of January 20, 2010 with the following amendments:

1. Item 5.2 **BERC Procurement Policy** – Vote: Upon motion by Mr. Mesiah, seconded by Mayor Brown and unanimously carried the above item was approved.
2. Item 5.5 **Federal Government Relations Services Contract** – Condition: Upon expiration of the contract, funding for these services will come from an organization other than BERC.

Mr. Mesiah seconded the motion and the item was unanimously approved.

3.0 **Monthly Financial Report**- Upon motion by Mr. Walters, seconded by Mr. Brady and unanimously carried the monthly financial report ending December 31, 2009 was approved.

The meeting was called out of order.

5.0 Action Item

- 5.1 **Directors and Officers and Employment Practices Liability Insurance Policy-** Submitted to the BEREC Board of Directors (“Directors”) is a request to authorize the purchase of a directors and officers and employment practices liability insurance policy from Philadelphia Insurance Company for the period of 2/19/10 through 2/18/11, with a coverage limit of \$10,000,000.00, \$25,000.00 deductible and a premium of \$22,916.00.

In addition, BEREC seeks authority from the BEREC Board of Directors to take all such action, provide all such information, expend or supply such BEREC funds, execute all documents, and exercise all such decision making as is in the discretion of the BEREC President, reasonably necessary to purchase the above mentioned policy.

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

4.0 President’s Report- Mr. Penman highlighted the following:

- A. **Real Estate** - Mr. Kwiatkowski stated that the following four (4) leases were reviewed by the Real Estate Committee and are recommended to the board for approval:

Renewals

Jack Stressing - Residential tenant - one (1) year renewal.

Ragattasport - Tenant is currently leasing 1,188 sq ft space at the Can Am Building in Suite 202. Tenant seeks to renew its lease for an additional three (3) year term.

Queen City Gallery - Tenant is currently leasing 140 sq ft space in the Market Arcade Complex. Tenant seeks to renew its lease for a one (1) year term.

Muhammad Music School- Tenant is currently leasing 140 sq ft space in the Market Arcade Complex. Tenant seeks to renew its lease for a one (1) year term with an option.

Upon motion by Mr. Walters, seconded by Mr. Kucharski and unanimously carried, all of the above lease requests were approved.

B. **Empire Zone** - Ms. Ford stated that since the last report, two (2) applications were received and are being processed. **Concord Textile Care Products** has been approved for Regionally Significant Project (RSP) status.

C. **Lending**

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

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 - Seven deals are active in the underwriting stage. They are as follows: **Artvoice, Cardvark, L&D Johnson Plumbing and Heating, Wellness Family Practice, Ingenious, Inc., McDonald's-Grider/William Street** and **TFJ Enterprises, LLC** totaling \$387,000.00.

D. **Business Development** - Mr. Gadley advised of the following business development activities:

- Follow up with business inquires from Straight talk Event on January 23rd.
- BEREC scheduled to participate in next Straight Talk event March 2, 2010.
- Implement a calling effort to Empire Zone certified businesses to uncover lending opportunities.
- Continue to develop referral relationship between agencies (i.e. ECIDA, BNE) and lenders.
- Continue to determine how BEREC can diversify its product line.

Upon motion by Mr. Bell, seconded by Mr. Kucharski and unanimously carried the lending and business development reports were approved.

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

1. BEREC was invited by ESD to collaborate with ESD, ECIDA and BUDC to engage The National Development Council (NDC) to assist in the implementation of economic development and community objectives related to real estate (and other areas) pertaining to the City of Buffalo. NDC will provide technical assistance concerning the financing and development of buildings in the City's Central Business District (including the former AM&A's and the Statler Building), including identification of financial resources. NDC is the oldest national non-profit community development organization in the US. Its mission is to increase the flow of

capital to underserved areas for job creation and community development. It offers development assistance and professional training as well as small business financing and debt and equity for residential, commercial, public and non-profit facilities projects. The contract price is \$20,000 to be shared amongst the parties. BEREC's portion will be paid with CDBG funds.

2. Patton Boggs - the cost of this engagement ran \$21,666.00 over budget due to continued utilization of services beyond expiration of the contract.
3. Hurwitz and Fine - As requested by the board at the time that it authorized this up to \$50,000.00 engagement, the bill for these services has reached \$35,369.75. The file remains open.

6.0 **Committee Reports**

- 6.1 **Finance & Audit**- Committee has not met – will meet upon completion of the 08-09 financial audit draft report.
- 6.2 **Real Estate**- Mr. Kwiatkowski stated that at the request of Mr. Penman, on March 3rd NYSEERDA will be coming in to meet with staff and give ideas relative to what building energy audits can/should be conducted. In addition, the real estate committee will be meeting at the Buffalo Niagara Enterprise (BNE) on February 21, 2010 to continue strategic planning.
- 6.3 **Governance** - The committee meets March 1, 2010.

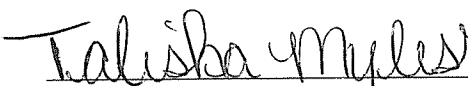
7.0 **Special Projects** - There was no special project to discuss.

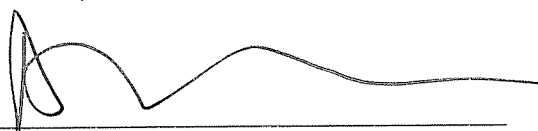
8.0 **Tabled Items** - There were no tabled items.

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

10.0 **Adjournment** - Upon motion by Mr. Bell, seconded by Mr. Kucharski and unanimously carried the meeting adjourned at 1:15 P.M.

Respectfully submitted,

By: 
Talisha Myles, Recording Secretary

Approved by: 
Divitta Alexander, Secretary of the Board