

BUFFALO ECONOMIC
RENAISSANCE CORPORATION

Buffalo Economic Renaissance Corporation

Minutes of the Meeting of the Board of Directors

901 City Hall

May 20, 2009

1.0 **Roll Call**

Members Present

Clifford Bell
Donna Brown
Michael Kubala
Carolyn Murray
Adam Walters
Michael Welch

Members Absent

Kevin Brady
Mayor Brown
Brian Davis
Thomas Kucharski
Frank Mesiah

Staff

Brian Reilly
Divitta Alexander
Michelle Barron
Eric Gadley
Carla Kosmerl
Geraldine Ford
Melanie Gregg
Wayne Kwiatkowski
Richard Spula
Kathleen Peterson
Talisha Myles

Guest: Derek Gee, Buffalo News

Roll Call. Brian Reilly called the meeting out of order. The roll of directors was called and a quorum was present at 12:25 p.m.

4.0 **President's Report**

- A. **Real Estate-** There were no new leases or renewals.
- B. **Empire Zone-** Mr. Reilly stated that there have been some rumors that Empire State Development (ESD) is going to approve the boundary revision for several municipalities that have submitted them over a year ago. BEREC has not received an official update from ESD but staff anticipates that its boundary revision will be approved. He further stated that the State informed staff that the two (2) Regionally Significant Projects RiverWright and API Heat Transfer applications should be amended and resubmitted. Additionally, Mr. Reilly stated that Condor

Textile Care Products submitted an application to qualify for Regionally Significant Project (RSP) process.

C. **Lending-** Mr. Reilly highlighted the following:

Loan(s) closed in April- No loans closed in April.

Loans Approved Pending Closing- There is six (6) loans approved and not yet closed. They are as follows: **Cedar's Bakery, Joe's Deli, Dimples Café, Ingenious, Inc. Chima & Bains** and **Ulrich's Tavern** totaling \$330,000.

Active Deals in Underwriting- There are nine (9) active deals, they are as follows: **Artvoice, Prima Pizza, Signature Development, The Laundry Spot, Trattoria Aroma, Wellness Family Practice, Steigeisen, Celerity, International Chemical Corp.** and **McDonald's Grider**, totaling \$1,015,000.

D. **Business Development-** Mr. Reilly highlighted the following:

CARE Program- To date, BEREC received 284 applications for participation in the CARE Program, the total project cost is \$1,524,319, the total private equity is \$316,812 and 133 of awarded projects were completed.

Sign & Storefront Programs

University Sign & Storefront- one (1) new project will be presented to the Grant Committee for review and approval

Masten Sign & Storefront- There are three (3) on-going and two (2) new projects for the Better Schools, Better Neighborhood Program on Fillmore Avenue.

Ellicott Sign & Storefront- There two (2) new projects one (1) will be submitted to Grant Committee for review and approval.

South District Business Improvement Program- Staff continues to work with interested business owners.

Small Business Resource Centers

Apollo Serviced 83 clients

South Buffalo Serviced 17 clients

West Side Serviced 54 clients

Entrepreneurial Assistance Program (EAP)- Thirty-five (35) students received Technical Assistance – next EAP Session scheduled to begin mid May. Staff continues to work closely with the Small Business Development Center, Women’s Business Center, SCORE and the Small Business Administration.

Upon motion by Mr. Bell, seconded by Mr. Kubala and unanimously carried the President’s report was approved.

2.0 Reading of the Minutes- Upon motion by Mr. Bell, seconded by Ms. Murray and unanimously carried the waiving of the reading and acceptance of the minutes of April 15, 2009 was approved.

3.0 Monthly Financial Report- Upon motion by Mr. Welch, seconded by Mr. Kubala and unanimously carried the monthly financial report was approved.

5.0 **Action Items**

5.1 **Board of Directors Roles and Responsibilities**- Submitted to the BEREC Board of Directors (“Board”), is a request to adopt and enact (effective immediately) the statement of BEREC Board of Directors Roles and Responsibilities (the “Statement”). Additionally, BEREC is requesting authorization to take all such other actions, execute all such other documents and agreements, and to expend and/or apply such BEREC funds as is in the discretion of the BEREC President reasonably necessary to implement and enforce the Statement.

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

5.2 **Code of Ethics and Conflict of Interest Policy**- Submitted to the BEREC Board of Directors (“Board”), is a request to adopt and enact (effective immediately) the Code of Ethics and Conflict of Interest Policy (the “Policy”). Additionally, BEREC is requesting authorization to take all such other actions, execute all such other documents and agreements, and to expend and/or apply such BEREC funds as is in the discretion of the BEREC President reasonably necessary to implement and enforce the Policy.

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

- 5.3 **Directors and Officers and Employment Practices Liability Insurance Policy – Excess Coverage-** Submitted to the BERC Board of Directors (“Board”) is a request to continue with the current \$5,000,000.00 in directors and officers and employment practices liability insurance coverage, and forego authorizing the purchase of excess coverage due to its high cost.

Upon motion by Mr. Walters, seconded by Mr. Bell and unanimously carried the above item was approved.

- 5.4 **Compensation, Reimbursement and Time/Attendance of President/Senior Mangers Policy-** Submitted to the BERC Board of Directors (“Board”), is a request to adopt and enact (effective immediately) the Compensation, Reimbursement and Time/Attendance of President/Senior Mangers Policy (the “Policy”). Additionally, BERC is requesting authorization to take all such other actions, execute all such other documents and agreements, and to expend and/or apply such BERC funds as is in the discretion of the BERC President reasonably necessary to implement and enforce the Policy.

Upon motion by Mr. Walters, seconded by Mr. Welch and unanimously carried the above item was approved.

- 5.5 **Real Estate Leasing Policy-** Submitted to the BERC Board of Directors (“Board”), is a request to adopt and enact (effective immediately) the Real Estate Leasing Policy (the “Policy”). Additionally, BERC is requesting authorization to take all such other actions, execute all such other documents and agreements, and to expend and/or apply such BERC funds as is in the discretion of the BERC President reasonably necessary to implement and enforce the Policy.

Upon motion by Mr. Welch, seconded by Ms. Brown and unanimously carried the board approved the item with the change under the Reporting section to include monthly notice of leases to the Real Estate Committee as well as the full Board.

- 5.6 **Insurance and Risk Management Policy-** Submitted to the BERC Board of Directors (“Board”), is a request to adopt and enact (effective immediately) the attached Insurance and Risk Management Policy (the “Policy”). Additionally, BERC is requesting authorization to take all such other actions, execute all such other documents and agreements, and to expend and/or apply such BERC funds as is in the discretion of the BERC President reasonably necessary to implement and enforce the Policy.

Upon motion by Mr. Walters, seconded by Mr. Bell and unanimously carried the above item was approved.

Late File- Upon motion by Mr. Walters, seconded by Ms. Brown the late file was accepted.

\$400,000 funding for AM&A's Warehouse Lofts Projects- Submitted to the BEREC Board of Directors ("Board"), is a request to provide the BEREC large loan committee with authority to review an application for \$400,000 in non-federal funds (miscellaneous revenue) to fund a loan to Signature Development, Inc. or an entity to be formed for the proposed development of the AM&A's Warehouse Lofts project, and approve said application if it deems appropriate.

Additionally, BEREC is requesting authorization to take all such other actions, execute all such other documents and agreements, and exercise all such decision making as in the discretion of the BEREC President, reasonably necessary to execute the above.

Upon motion by Mr. Walters, seconded by Ms. Murray with the abstaining of Mr. Bell and Mr. Kubala the Board authorized the large loan committee to review and approve the loan, in the discretion of the large loan committee, with the following conditions:

1. Loan to be repriced after seven (7) years at benchmark decided by the Loan Committee (7 year rate review).
2. Commercial tenant will be required to comply with the City's first source agreement.
3. MWBE contractors/Businesses will be used in constructing and equipping this project as feasible.
4. The relevant case distributed to the large loan committee would be first distributed to the full Board so the Directors have an opportunity to comment.
5. The loan is personally guaranteed by the developer.
6. The large loan committee reviews the project's sources and uses.
7. Developer's equity must go into the project first (before BEREC funding).

6.0 **Committee Reports**

- 6.1 **Finance** - No report
- 6.2 **Audit** – No report
- 6.3 **Real Estate** – No report
- 6.4 **Governance** - No report

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

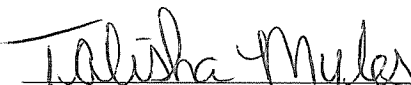
8.0 **Tabled Items**- There were no tabled items.

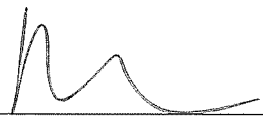
9.0 **Executive Session**- Upon motion by Mr. Kubala, seconded by Mr. Walters and unanimously carried the board moved to go into executive session to discuss matters concerning media allegations in connection with One Sunset transactions that could lead to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

Upon motion by Mr. Walters, seconded by Mike Welch, and unanimously carried, the executive session was adjourned.

10.0 **Adjournment**- Upon motion by Ms. Brown, seconded by Mr. Welch and unanimously carried the meeting adjourned at 2:00 P.M.

Respectfully submitted,

By: 
Talisha Myles, Recording Secretary

Approved by: 
Divitta Alexander, Secretary of the Board