



BUFFALO ECONOMIC
RENAISSANCE CORPORATION

THE HON. BYRON W. BROWN
CHAIRMAN

Buffalo Economic Renaissance Corporation
Minutes of the Meeting of the Board of Directors
901 City Hall
October 21, 2009

1.0 **Roll Call**

<u>Members Present</u>	<u>Members Absent</u>	<u>Staff</u>
Clifford Bell	Donna Brown	Dennis Penman
Kevin Brady	Brian Davis	Eric Gadley
Mayor Brown	Michael Kubala	E. J. Walton
Thomas Kucharski	Frank Mesiah	Divitta Alexander
Carolyn Murray	Adam Walters	Geraldine Ford
Michael Welch		Wayne Kwiatkowski
		Jeanine Baran
		Brandye Merriweather
		Talisha Myles

Guest: Patrick Lakamp, Buffalo News
Ann O'Donnell, City Comptroller's Office
Catherine Trautman, City Comptroller's Office
Chris Malachowski, Hunt Commercial Real Estate

Roll Call: The roll of directors was called, a quorum was present, and the meeting was called to order at 12:10 P.M.

- 2.0 **Reading of the Minutes-** Upon motion by Mr. Brady, seconded by Mr. Bell and unanimously carried the waiving of the reading and acceptance of the minutes of September 16, 2009 was approved.
- 3.0 **Monthly Financial Report** – E.J. Walton presented the monthly financial and investment report. Upon motion by Mr. Bell. Seconded by Mr. Kucharski and unanimously carried the monthly financial report for period ending August 31, 2009 was approved.
- 4.0 **President's Report-** Mr. Penman highlighted the following:

- A. **Real Estate**- Mr. Penman stated that BEREC recommends approval of the following three (3) new leases and extension of five existing (5) leases:

New Leases:

Left Brain - This is an office for accounting. The company is leasing 400 sq ft space at the Market Arcade Building for one (1) year with a two (2) year option.

John Daly- A Market Arcade apartments residential tenant with a one (1) year lease.

3 Meatballs - A restaurant leasing 8,375 sq. ft. of space at the Market Arcade Building for five (5) years with a 3-5 year option with 5% rent increases.

Renewals

Annimeeke Rice- Residential tenant - one (1) year renewal.

Carl Morgan - Residential tenant - one (1) year renewal.

Canadian Consulate - Residential tenant - one (1) year renewal.

Terry Messmer - Residential tenant - one (1) year renewal.

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

- B. **Empire Zone** - Empire State Development (ESD) recently approved the Buffalo Empire Zone boundary revisions effective June 20, 2008. Two regionally significant projects (**RiverWright** and **API Heat Transfer**), obtained approval from ESD and are applying for Empire Zone Certification.

Additionally, **Concord Textile Care Products** received approval on its application to qualify for regionally significant project status.

- C. **Lending**

Loans Closed in September- No loans closed during the month of September. A loan to Celerity, LLC closed in October.

Loans Approved Pending Closing - There are four (4) loans approved and not yet closed. They are as follows: **Cedar's Bakery, Ingenious, Inc., Ulrich's Tavern** and **Chima & Bains** and totaling \$265,000.

Active Deals in Underwriting- Nine (9) deals are active with possible funding. They are as follows: **Artvoice, Flexo Transparent, Inc., Industrial Support, Inc, Prima Pizza, Wellness Family Practice, BDJ Ventures, Inc., East End Salon, The Room** and **Triangles of NY, Inc.** totaling \$813,500.

Data was distributed to the Board concerning loan delinquency and collection activity.

D. **Business Development** - To date, the BEREC received 280 applications for participation in the CARE Program, a total of 155 projects were awarded, a total of 155 projects have been completed, a total of 136 jobs have been created and a total of 543.5 jobs have been retained. BEREC is awaiting Year 34 block grant funding to proceed with the projects.

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

Insurance Renewals – Modifications

Since the last board meeting (9-16-09), the following insurance policies have been renewed/modified:

1. Employee Theft, ERISA Fidelity and Fiduciary (Pension Trustee) Liability Insurance Policies have been combined via a new package policy offered by Travelers Insurance Company. Total three year premium is \$6614 – coverage period is 9/14/09-9/14/12.

BEREC's current Employee Theft and ERISA Fidelity policy (with Travelers) costs approximately \$2100 per year. BEREC's Fiduciary policy (with Travelers –expired 9/14/09) costs \$1806 for three years.

The expected total cost of the existing policies over three years is approximately \$8106 ($\$2100 \times 3 + \1806). The package policy offered by Traveler's (a new product) is expected to save BEREC at least \$1492 over three years.

2. Commercial General Liability/Property Package Policy Premium Adjustment – Due to increased valuation of the replacement value of BEREC's real property, the annual premium has increased by \$4608.
3. Broadway Market Insurance – The additional premium associated with adding the Broadway Market to BEREC's insurance policy for liability purposes only is \$7490. The premium would be prorated in the event of early termination of the policy.

Annual Reports (2007-2008 and 2008-2009)

BEREC expects to deliver a 2 year annual report covering the 07-08 and 08-09 fiscal years by calendar year end. Timing will depend on completion of the 08-09 independent financial audit.

Upon motion by Mr. Brady, seconded by Mr. Welch and unanimously carried the President report was approved in its entirety.

5.0 **Action Items**

- 5.1 **2009-10 Snow Removal Quotes-** Submitted to the BEREC Board of Directors ("Board") is a request to enter into a contract with Upstate Concrete Contractors

in the amount of \$10,700 plus any additional per occurrence (salt) charges at the rates set forth on the attached spreadsheet, for snow removal services from November 1, 2009 through April 15, 2010.

Additionally, BEREC seeks authority to take all such other actions, execute all such other documents and agreements, and to expend and/or apply such BEREC funds as are in the discretion of the BEREC President reasonably necessary to implement the agreement.

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

Late File– **Innovative Chemical Corporation (“ICC” or the “Company”)**- Submitted to the BEREC Board of Directors (“Board”) is a request for approval to do the following:

1. Permit the Chair and/or President to create a special committee of the board consisting of three Directors (designated by the Chair and/or President) to participate in an upcoming Large Loan Committee process for ICC, a Northland Avenue-based firm that mixes, packages, and distributes private label products for the automotive and household cleaning market; and to empower the special committee to approve financing to ICC on behalf of the Board of Directors in an amount not to exceed \$300,000;
2. Complete our due diligence process and enter into term sheet negotiations with ICC that could result in additional capital advances of up to \$300,000 structured as “mezzanine debt” with equity conversion features and board participation rights; and;
3. Close any prospective transaction upon (i) the recommendation of the Large Loan Committee, (ii) approval of the Interim President and the above mentioned special committee, and (iii) satisfactory documentation, including any conditions precedent and third party consents normal and customary for a transaction of this type.

Upon motion by Mr. Kucharski, seconded by Mr. Bell and unanimously carried, the late file item was accepted.

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

Presentation

Brandye Merriweather, BEREC Neighborhood Business Specialist, presented an overview of the CARE Program to the Board, focusing on the neighborhood commercial districts in which she is assigned to administer the CARE Program (University and Lower Niagara).

6.0 Committee Report

6.1 **Audit/Finance** – No report

- 6.2 **Real Estate** – No report
- 6.3 **Governance** – No report

- 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. Bell, seconded by Mr. Kucharski and unanimously carried the meeting adjourned at 1:50 P.M.

Respectfully submitted,

By: Talisha Myles
Talisha Myles, Recording Secretary

Approved by: Divitta Alexander
Divitta Alexander, Secretary of the Board

2009-2010 Snow Removal Services

<u>Company</u>	<u>Free Trade</u>	<u>Gaiter</u>	<u>Arcade Apts.</u>	<u>BGBI</u>	<u>Hrly.Equip</u>	<u>After 4/15/10</u>	<u>Salt</u>	<u>Total</u>
Scott Lawn Yard 5552 Townline Sanborn , NY 14132 (WBE)	\$24,900	\$8,900	\$2,950	No bid	Lift \$175 Dump \$125	\$1,850 \$600 \$250 \$0	\$149 ton	\$36,750 w/o BGBI property
Upstate Concrete 633 Wyoming Street Buffalo, NY 14215	\$7,800	\$1,750	\$700	\$450.00	Lift \$135 Dump \$98	\$500 \$115.00 \$70.00 \$40.00	\$190 ton	\$10,700
English Gardener 1400 Kensington Buffalo, NY 14215	\$8,745	\$1,875	\$729	\$645	Lift \$93 Dump \$73	\$379 \$79 \$39 \$33	\$149 ton	\$11,494
Gardenville Plowing 3059 Clinton Street w.Seneca , NY 14224		NO BID						
John's Plowing 3092 Amsdell Hamburg, NY		NO BID						
Weatherworks LLC PO Box 152 Cheektowaga, NY		NO BID						
NSH Plowing 6465 Broadway Lancaster, NY 14086		NO BID						

Robinson Plowing
21 Hauf Street
Buffalo, NY
(MBE)

NO BID

American Paving
5880 Thompson
Clarence, NY 14032

NO BID