



BUFFALO ECONOMIC
RENAISSANCE CORPORATION

THE HON. BYRON W. BROWN
CHAIRMAN
TIMOTHY E. WANAMAKER
PRESIDENT

Buffalo Economic Renaissance Corporation
Minutes of the Board of Directors
9th Floor Conference Room, 920 City Hall
May 16, 2007

1. **Roll Call**

Members Present

Mayor Brown
Steve Casey
Richard Tobe
Clifford Bell
Carolyn Murray
Frank Mesiah
Michael Welch
Adam Walters
Kevin Brady
Thomas Kucharski
Andrew Dorn

Members Absent

Michael Kubala
Dominic Bonifacio
Miguel Santos

Staff

Timothy Wanamker
Marie Currie
Michelle Barron
John Riccione
Sandy Nasca
Melanie Gregg
Anthony Caldiero
Talisha Thompson

Guest: Chris Johnston, Senior Special Assistant to Commissioner Richard Tobe
Jerry Turcotte, Coordinator, Micro Biz Buffalo
Paul Wolf, Chief of Staff

2. **Reading of the Minutes-** Upon motion by Mr. Kucharski, seconded by Mr. Bell the minutes of **March 21, 2007** were approved contingent upon the following corrections:

1. (Item 5.2 CDFI loan fund): Strike out \$2,000,000 CDFI provided by Bank of America (BOA) at a term of 4% interest-only with ten (10) year term and replace it with: "with the exception of the \$2,000,000 Bank of America loan which will be recourse to BEREC."
2. The loan committee decision will be the final decision.
3. Mr. Kubala voted in negative to the funding.

Upon motion by Mr. Kucharski, seconded by Mr. Bell and unanimously carried, the minutes of **March 21, 2007** was approved with the amended changes.

3. **Monthly Financial Report-** Upon motion by Mr. Welch, seconded Mr. Kucharski the monthly financial report ending March 31, 2007 was approved.

4. **Staff Report-** Mr. Wanamaker highlighted the following:

- A. **Real Estate-** Mr. Wanamaker stated that BEREC executed two lease renewals, they are as follows:

Renewed Leases

Q.T.A. Machining- QTA does gear cutting and machine divers parts for clients in the entertainment (arcade), medical, printing and auto industries. Space is used for light manufacturing, assembly and distribution. They are currently leasing 9,672 sq ft space at the William Gaiter Business Center in suite #1 and #2. They renewed their lease for one (1) year.

Rotary Club-The Rotary Club utilizes office space for the Rotary Club of Buffalo. They are currently leasing 150 sq ft space at the Market Arcade Complex in suite M105 and renewed their lease for a one (1) year extension.

Mayor Brown stated that he has been receiving complaints about the maintenance of the William Gaiter Parkway. Mr. Wanamaker stated that he will have someone from BEREC's maintenance department check into the situation.

- B. **Empire Zone-** Mr. Wanamaker stated that three (3) applications were reviewed and approved by the Zone Administrative Board (ZAB), bringing the total applications pending certification to twenty-four (24). Those recently submitted applications anticipate an investment of \$1.9 million with job creation goals of 198 new full time equivalent positions over the next five (5) years. Key note is the expansion of **Center One, LLC** expanding into a second location at 698 Ogden Street. The company anticipates creation of 175 full time equivalent positions to accommodate the demand from new clients and present clients.

Mr. Wanamaker also stated that under the Regionally Significant Project, there was a Local Law approval for **Citigroup, Inc., Luminescent Systems, Inc** and **Multisorb Technologies, Inc.** at the Common Council meeting.

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

Loans closed in March and April- The following loans closed during the months of March and April, they are as follows: **Mid City Builders, Inc.** and **Bethel CDC** for a total of \$285,000.00 with three (3) full time equivalent positions.

Loans Approved Pending Closing for March and April:

Borrower	Pending Closing Date
Elmwood Building Supply	May 2007
Private Satellite Systems	May 2007
Madam Mocha's Espresso	May 2007

Loans Approved Pending Closing Prior to March and April:

Borrower	Pending Closing Date
Starlight Family Daycare	May 2007
Tapecon, Inc.	May 24, 2007
Artvoice	May 11, 2007

Snooty Fox Lounge	May 2007
W.C. Roberson Plumbing & Heating	May 2007
WNY Manufacturing, Inc.	May 2007

Loans Pending Approval- The following loans are pending approval, they are as follows: **Infinity Architectural Systems, Niagara Nail Salon, Office Automation & Training Consultants, Urban Roots, Francesca'a Italian Restaurant and Insty Prints Business Printing** totaling \$395,000 with job creation goals of fourteen (14) full time equivalent positions.

Ms. Currie informed the board that the loans closed at fiscal year end **5/31/2006** were **\$921,500**. At the end of this fiscal year (**5/31/2007**) loans closed will be **\$1,834,865** which represents a **99% increase** in loan activity over 2006 year end results.

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

CARE Program- Seneca/Cazenovia area has 82% of the projects completed, Jefferson area has 34% completed, Broadway area has 66%, Grant/Ferry area has 73%, Niagara area has 20% and Fillmore area has 80% of the projects completed, totaling 63% of the projects completed.

Live Zone Program- Two (2) applications were approved by the committee. Staff continues to work with councilmember staff person hand delivering applications regarding the sign and storefront programs.

Small Business Resource Centers

Apollo Serviced 154 clients

South Buffalo Serviced 21 clients

West Side Serviced 55 clients

Entrepreneurial Assistance Program- The 11th session of the EAP began May 15th with twenty-four (24) students enrolled.

International Franchise Association- The City of Buffalo and the Buffalo Economic Renaissance Corporation in conjunction with the International Franchise Association will host its first annual Franchise Expo on June 19th 2007. The full day event is designed to encourage minority professionals and entrepreneurs to pursue franchise opportunities.

BERC Technical Assistance Workshops- Every second Wednesday of each month technical assistance workshops is held from 5:30 – 7:30 pm at the Apollo Media Center. The workshops are advertised on Public Access – Channel 22.

5. **Action Items**

Called out of order:

Late File- Upon motion by Bell, seconded by Mr. Dorn the late file was approved.

1. **Bank of America CDFI Loan-** Discussion ensued relative to the firm financial commitment BERC received from Banc Of America for a \$2,000,000 recourse loan at an interest rate fixed at 4% for a term of 10 years to be disbursed in one lump sum, requiring quarterly interest only payments from years 1 through and including year 8 of the term with one \$1,000,000 principal payment + interest due in year 9 of the term and a final \$1,000,000 principal payment + interest due in year 10 of the term.

Mr. Wanamaker encouraged the board to authorize this loan stating that it is a good deal for BERC because BERC will now have access to additional lending capital with little risk and access to loan capital that has no restrictions as those that are imposed with the use of CDBG funds. He explained that BERC's risk factor is mitigated by its ability to reinvest the loan funds into an account that will generate more interest than the 4% charged by Banc of America resulting in a positive arbitrage; that we have the option to lend all of the funds to one borrower if we feel it would be an incentive to develop a larger project with substantial job creation or to lend to several projects. He further informed the board that our CDFI designation comes with the ability to receive investments such as this one by Banc of America and the CDFI Fund. In addition, BERC is also eligible for investments as a Community Development Entity which will allow for New Market Tax Credit Investment in projects located in the City of Buffalo. After adding final remarks and informing the board that the Banc of America commitment is much less restrictive than the other CDFI commitments received to date, and after further comments by the directors, a motion was made by Mr. Bell to approve the item, seconded by Mr. Walters, with Mr. Welch voting in the negative. The motion carried by unanimous vote authorized the President of BERC to execute any and all documents necessary to secure the \$2,000,000 loan from Banc of America Community Development Corporation.

- 5.1 **Fiscal Year 2007-08 Budget-** Upon motion by Mr. Dorn, seconded by Mr. Mesiah with Mr. Kubala voting in negative, the 2007-08 fiscal year budget was approved.

- 5.2 **Appoint a New Member to the BERC Large Loan Committee-** Board approval was requested to appoint Ms. Karla J. Gadley as the new member of the BERC Large Loan Committee.

Motion was made by Mr. Kucharski, seconded by Mr. Bell and unanimously carried.

- 5.3 **Proposed Changes to the Loan Programs Terms-** This item was tabled until the next board meeting.

- 5.4 **Marketing Plan-** (Informational)-Mr. Wanamaker presented the 2007 marketing plan for the Buffalo Economic Renaissance Corporation.
- 5.5 **Principles and Practices of Successful Business Incubation-** (Informational)- Mr. Wanamaker presented to the board the industry guidelines that were put together by the NBIA Board of Directors.
- 5.6 **Staff Changes-** Mr. Wanamaker informed the board that Ms. Currie will be retiring May 31, 2007. He stated that there have been interviews for two (2) positions: VP of Lending and Senior Loan Officer.

6.0 **Contracts**

- 6.1 **Entrepreneurial Assistance Program/ Contract Renewal-** This item was tabled until the next board meeting.
- 6.2 **Landscaping Contracts for the Buffalo Free Trade Complex, William Gaiter Business Center, Porter Avenue Properties and Fillmore and Chalmers-** Board approval was requested to authorize a landscaping contract with Shevlet Enterprises for the following: 1) BFTC in the amount of \$13,500; 2) William Gaiter Business Center in the amount of \$5,500; 3) Porter Avenue Properties in the amount of \$2,400; and 4) Fillmore and Chalmers in the amount of \$3,600 from May 1, 2007 through October 31, 2010.

Upon motion by Mr. Dorn, seconded by Mr. Walters and unanimously carried, it was resolved to reward: Shevlet Enterprises all of the above contracts.

- 6.3 **Land Disposition Agreement-** Board authorization was requested to execute a Land Disposition agreement with JM3, LLC for the acquisition of 145 River Rock Drive in the amount of \$84,000.

Upon motion by Mr. Kucharski, seconded by Mr. Bell and unanimously carried; it was approved to execute a land disposition agreement with JM3, LLC in the amount of \$84,000.

- 6.4 **Contract with Inside Designs Buffalo, Inc. (Exterior Work)-** Board approval was requested to authorize the President to enter into a contractual agreement with Inside Design Buffalo, Inc. for exterior design services for the 625 Main Street Apartments at the Market Arcade Building for an amount not to exceed \$8,125.00.
- 6.5 **Interior Construction Budget (625 Main Street)-** Board approval was requested to authorize the President to enter into contractual agreements with various construction firms for renovation work on the rental units at a cost not to exceed the budgeted amount of \$375,000.00

- 6.6 **Contract with Inside Designs Buffalo Inc. (Bid Documents)**- Board approval was requested to authorize the President to enter into a contractual agreement with Inside Designs Buffalo, Inc. for the preparation of bid documents for the interior renovations for 625 Main Street Apartments at the Market Arcade Building for an amount not to exceed \$2,600.00.

Upon motion by Mr. Mesiah, seconded by Mr. Brady and unanimously carried the following items was approved:

- 6.4 **Contract with Inside Designs Buffalo, Inc. (Exterior Work,**
6.5 **Interior Construction Budget (625 Main Street)**
6.6 **Contract with Inside Designs Buffalo Inc. (Bid Documents)**

7.0 **Committee Reports**

- 7.1 **Finance**- Mr. Brady stated that the committee met and discussed the 2007-08 budget.
7.2 **Audit**- There was no meeting.
7.3 **Business Development**- There was no meeting.
7.4 **Real Estate**- Mr. Bell stated that the committee met and discussed property owned by BERC in North Buffalo that will be sold.
7.5 **Governance**- There was no meeting.

8.0 **Special Projects**- None

9.0 **Tabled Items**

- 9.1 **Buffalo Niagara Enterprise (BNE) Request for Funding**- Upon motion by Mr. Brady, seconded by Mr. Walters, the item was taken off the table.

Board approval was requested for BERC to provide a \$50,000 allocation to the Buffalo Niagara Enterprise (BNE) for the current year. This allocation will be paid against invoices received from the BNE for work specifically requested by BERC. The activity will include assistance in managing special events hosted by BERC, design of marketing folders and preparation of BERC's annual reports.

Upon motion by Mr. Dorn, seconded by Mr. Bell and unanimously carried, it was approved to authorize the execution of a one year agreement with the BNE in the amount of \$50,000.00

10.0 **Executive Session**

- 11.0 **Adjournment**- The meeting adjourned at 1:50 P.M.

Respectfully submitted,

By Talisha Thompson
Talisha Thompson, Recording Secretary

Approved by Marie Currie
Marie Currie, Secretary of the Board