



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, 901 City Hall
July 26, 2007

1. **Roll Call**

Members Present

Clifford Bell
Dominic Bonifacio, Jr
Steve Casey
Thomas Kucharski
Frank Messiah
Carolyn Murray
Miguel Santos
Richard Tobe
Michael Welch

Members Absent

Kevin Brady
Mayor Brown
Andrew Dorn
Michael Kubala
Adam Walters

Staff

Timothy Wanamaker
Sandy Nasca
Michelle Barron
John Riccione
Richard Spula
Wayne Kwiatkowski
Mawusi Watson
Melanie Gregg
Bernadette Taylor
Talisha Thompson

Guest: Paul Wolf, Common Council, Chief of Staff
Deborah Turner, Buffalo Place

2. **Reading of the Minutes-** Upon motion by Mr. Messiah, seconded by Mr. Casey the minutes of **May 16, 2007** were approved.

Called out of order:

51. **Election of Secretary to the Corporation-** Board approval is being requested to nominate and vote Carolyn Murray to fill the vacancy of Secretary to the Corporation.

Upon motion by Mr. Kucharski, seconded by Mr. Bell and unanimously approved.

Resume regular meeting

3. **Monthly Financial Report-** The Board members requested to be provided with a report on the CARE Program.

Upon motion by Mr. Welch, seconded by Mr. Santos and unanimously carried, the monthly financial report ending April 30, 2007 was approved.

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

- A. Real Estate- Mr. Wanamaker stated that BEREC has executed one (1) lease renewal, it is as follows:
Renewed Lease
Display Solutions- Display Solutions is leasing space for office space, light manufacturing, assembly and distribution. Client makes custom display cases and booths. They are currently leasing 2,735 sq ft space at the Can Am Building in suites 200 and 204 and renewed their lease for one (1) year.

Market Arcade Apartments: Mr. Kwiatkowski explained to the Board that over the weekend the power flush unit ruptured in apartment #1 where it leaked down into the Irish Classical Theater. He stated that the water constantly ran for approximately three to four days where it penetrated the floor and caused damage to the stage. He also stated that there is insurance with a \$10,000 deductible. Mr. Wanamaker informed the Board that there will be RFP's going out to bid on the work that needs to be done.

Mr. Bell motioned to have the work completed, seconded by Mr. Mesiah and unanimously carried.

- B. Empire Zone- Mr. Wanamaker stated that since the last board report, nine (9) applications were reviewed and approved by the Zone Administrative Board (ZAB), which bring the total applications to date to fourteen (14). Those recently submitted applications anticipate an investment of \$46 million with job creation goals of 1,555 full time equivalent positions over the next five (5) years. Key note is **GPS-Infinite Worldwide**, a receivable management company, located at 10 Lafayette Square. This company anticipates creation of 1135 full time equivalent positions to accommodate contracts it has acquired with the Veteran's Administration.

Mr. Wanamaker also stated since the last report, twelve (12) applications were received, starting BEREC's fiscal year. These newly certified companies anticipate an investment of \$44 million with job creation goals of fifty-two (52) full time equivalent positions over the next five (5) years. Certification was awarded to **PersonaDX, Inc.**, a bio-informatics company that anticipates an investment of \$15 million with job creation goals of ten (10) full time equivalent positions at 700 Michigan Avenue.

Mr. Wanamaker further explained that staff submitted a review package for approval to Empire State Development (ESD) for Multisorb Technologies Inc. In addition, staff is now preparing submission packages for Citigroup, Inc and Luminescent Systems Inc.

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

Loans Closed in May 2007, zero closed in June- Three (3) loans closed in May, they are as follows: **Artvoice**, **Madame Mochas'** and **Tapecon, Inc** totaling \$835,000.00.

Loans Approved Pending Closing:

Borrower	Pending Closing Date
Print Tek	July 2007
Print Tek	July 2007
Jenny's Clayhouse	July 2007
W.C. Roberson Plumbing & Heating	July 2007
WNY Manufacturing, Inc.	July 2007
Snooty Fox Lounge	August 2007
Niagara Nail Salon	July 2007
Niagara Nail Salon	July 2007
Private Satellite Systems	July 2007
Starlight Family Daycare	July 2007
Sunset Grille and Restaurant	August 2007
Mandela Market	August 2007

Loans Pending Approval- Twelve (12) loans are pending approval, they are as follows: **686 Main St. LLC, Bethel Day Care, BeYoutiful, Café Aroma, Chem Dry by Gard, Francesca's, Getty Mart, GPS Infinite Worldwide, Insty-Prints, Pano's, Synergy Recovery Group and Vaspian** totaling \$1,965,000 with job creation goals of seventy-four (74) full time equivalent positions.

Two Key Notes:

BERC is seeking a Vice President for the Chief Lending Officer's position as well as a Senior Loan Officer and;
Wayne Kwiatkowski is the new Real Estate Director

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% completed, Grant/Ferry area has 73% completed, Niagara area has 20% completed and Fillmore area has 80% completed.

Live Zone Program

Delaware Sign & Storefront- two (2) applications were approved by the committee.

University Sign & Storefront- one (1) application on hand-staff continues to follow up with contracts regarding BERC loans and potential projects.

Masten District Sign & Storefront- two (2) applications were approved.

Ellicott District Sign & Storefront- one (1) application was approved.

Small Business Resource Centers

Apollo	Serviced 160 clients
South Buffalo	Serviced 22 clients
West Side	Serviced 84 clients

International Franchise Association- Mr. Wanamaker stated that the Buffalo Economic Renaissance Corporation in conjunction with the International Franchise Association held its first annual Franchise Expo June 19th 2007. The full day event with over sixty (60) people in attendance was designed to encourage minority professionals and entrepreneurs to pursue franchise opportunities.

5.0 Actions Items

- 5.2 **686 Main St. LLC-** Mr. Spula informed the Board that at its July 6th 2007 Loan Committee, the BEREC Business Loan Committee approved one credit for the above referenced project contingent upon BEREC Board of Director's approval because it exceeds the \$300,000 loan authority of the BEREC loan committee with a balloon payment at the end of the term.

Credit Facility – Construction Loan

A \$400,000 BEREC Business fixed at 5% with a ten (10) year term and thirty (30) year amortization, with a balloon payment at the end of the term.

BEREC is requesting board authorization of an aggregate \$400,000 in BEREC loans to 686 Main St. LLC.

Upon motion by Mr. Bell, seconded by Mr. Kucharski and unanimously carried, the loan to 686 Main St. LLC was approved.

- 5.3 **Sale of 357 Ontario Street-** Mr. Kwiatkowski informed the Board that 357 Ontario Street was used for collateral for a BEREC loan. Allen Shubbuck who owns a business at 349 Ontario Street responded to the For Sale sign and made an offer of \$5,000. He intends to rehabilitate the house into additional office and storage space and anticipate hiring 3-4 news employees.

Board approval is being requested to sell the property located at 357 Ontario Street to Allen Shubbuck of Western New York Property Contractors in the amount of \$5,000.

Upon motion by Mr. Welch, seconded by Mr. Santos unanimously carried, the sell of 357 Ontario Street to Allen Shubbuck in the amount of \$5,000 was approved.

- 5.4 **Sale of 637 Fourth Street-** Mr. Kwiatkowski informed the Board that 637 Fourth Street was used for collateral for a BEREC loan, which was foreclosed. Linda Davis who presently resides at 178 Lafayette Avenue made an offer of \$6,000. She intends to rehabilitate the property and sell items such as kites, bats and balls, hot dogs and bike rentals for park users.

Board approval is being requested to sell the property located at 637 Fourth Street to Linda Davis in the amount of \$6,000.

Upon motion by Mr. Kucharski, seconded by Mr. Welch and unanimously carried, the sell of 637 Fourth Street to Linda Davis in the amount of \$6,000 was approved.

- 5.5 **Budget Amendment -- Interior Construction -- 625 Main-** The Board recommended that the project be re-bid excluding participation in the City's apprenticeship program requirements. The re-bid should be conducted in two (2) weeks and the Board recommended that those bid prices be presented to the BEREC Real Estate Committee for review and approval.

Upon motion by Mr. Tobe, seconded by Mr. Kucharski and unanimously approved.

- 5.6 **Proposed Changes to the Loan Program Terms-** Mr. Wanamaker presented the loan program terms to the Board. The Board then had a brief discussion and recommended changing the term for the EAP Micro Loan Program, it will be as follows: ***The EAP Micro Loan Program loans will be interest only for Six (6) months with principal amortized over the remaining term of the loan. These are typically start-up businesses that need the assistance during the first year.***

Upon motion by Ms. Murray, seconded by Mr. Welch and unanimously approved.

- 5.7 **Jefferson Avenue Business Incubator Policy-** Mr. Wanamaker requested board authorization to move forward with bidding the Jefferson Avenue Incubator project to secure a successful bidder.

Mr. Bell suggested that once Mr. Wanamaker receives the successful bidder, to make the contract bid item number 5.7a.

Upon motion by Mr. Bell, seconded by Mr. Mesiah and unanimously carried, it was approved to move forward with the Jefferson Ave Incubator project.

6.0 **Contracts**

- 6.1 **Contract with BG Painting, Inc-** Board approval is being requested to authorize the President to enter into a contractual agreement with BG Painting, Inc. for landscaping services for BEREC's 60+ vacant lots and the Nash property along Michigan Avenue for an amount not to exceed \$15,420.00.

Upon motion by Mr. Kucharski, seconded by Mr. Mesiah and unanimously carried.

7.0 Committee Reports

- 7.1 **Finance-** No meeting
- 7.2 **Audit-** No meeting, Mr. Wanamaker stated that the audit committee needs to have a meeting as soon as possible to meet state requirements for Corp. audit.
- 7.3 **Business Development-** No meeting
- 7.4 **Real Estate-** The committee met and had discussion relative to the Market Arcade Apartments and other real estate items approved earlier in the meeting
- 7.5 **Governance-** No meeting

- 8.0 **Special Projects-** Mr. Wanamaker stated that once the word was out about BEREC's CDFI designation, BEREC has been bombarded by several parties, to do projects with BEREC and utilize our CDFI designation. BEREC is currently reviewing two opportunities: 1) there is a group that wants to utilize our CDFI to apply for New Market Tax Credit funds and develop an investment fund so they can provide funding opportunities to growing bio-med companies. 2) BEREC submitting an application for its own NMTC allocation.

Bayou Brewhouse space still has equipment left from the restaurant operation that need to be cleared out. Mr. Wanamaker stated that BEREC would like to legally clear out the equipment and get rid of the restaurant.

Ms. Deborah Chernoff from Buffalo Place is requesting BEREC retain the Bayou Brewhouse restaurant equipment and void long-term leases for office space in the storefront until automobile traffic returns to Main Street.

9.0 Tabled Items

- 9.1 **Entrepreneurial Assistance Program/ Contract Renewal-** Board approval is being requested to execute the contract with Maureen Pace for an amount not to exceed \$45,000 plus \$5,000 for all necessary reimbursable business expenses pertaining to the EAP Program.

Upon motion by Mr. Welch, seconded by Mr. Mesiah and unanimously carried.

- 9.2 **Proposed Changes to the Loan Program Terms-** Motion to remove from the table. Upon motion by Mr. Mesiah, seconded by Ms. Murray and unanimously carried.

Late File- Mr. Bell move to accept the late file, seconded by Mr. Santos.

Banc of America CDFI Loan- Board approval is being requested to accept the resolution for the CDFI loan.

Upon motion by Mr. Tobe, seconded by Mr. Santos and unanimously carried.

- 10.0 **Executive Session-** Upon motion by Mr. Bell, seconded by Mr. Tobe the board move into executive session.

Respectfully submitted,

By Talisha Thompson
Talisha Thompson, Recording Secretary

Approved by Carolyn Murray
Carolyn Murray, Secretary of the Board