



City Hall Room 005A
30 Church Street
Rochester, New York
14614-1290

August 23, 2012 REDCO Board of Directors Meetings Minutes

Directors Present: Carlos Carballada; Sergio Esteban; Bret Garwood; Jim Genthner; Michelle Hutchinson; Barbara Jones; Dana Miller; Brian Roulin; Ruth Scott; Dale Trott; Julio Vazquez; Lovely Warren; David Young;

Staff Present: Matt McCarthy; Don Crumb; Esq.;

Secretary Present: David J. Balestiere

Carlos Carballada called the meeting to order at 2:10 p.m. Mr. Carballada welcomed new Director Michelle Hutchinson to her first board meeting.

I. Approval of Minutes:

Sergio Esteban motioned to approve the March 22, 2012 REDCO Board of Directors minutes, seconded by Lovely Warren, and the minutes were unanimously approved.

II. Resolution – REDCO Management Fee to City of Rochester (City FY 12/13)

David Balestiere presented this resolution. The Directors reviewed a resolution authorizing REDCO to pay a \$75,000 management fee to the City of Rochester for the City FY 12/13.

Mr. Balestiere explained that the REDCO Board first approved payment of an annual management fee to the City of Rochester in 2008. REDCO's day-to-day activities are managed and administered by City of Rochester staff from Neighborhood and Business Development (NBD), Law, Finance, and Accounting. City staff performs functions such as administration of loan programs, development and management of REDCO projects, accounting, and legal services. Additionally, the City of Rochester provides office space, office equipment, and other support services. The management fee specifically reimburses the City of Rochester for work performed by NBD staff (\$40,000) and Law Department staff (\$35,000).

David Young motioned to approve the resolution, seconded by Ruth Scott, and the resolution was unanimously approved.

III. Resolution – Tru on Park, LLC (True Salon, LLC) - SBA 504 Loan

Matt McCarthy presented this loan request. The Directors reviewed a request for a \$112,000 SBA 504 loan (\$115,000 debenture amount).

Tru on Park, LLC (TOP) is a new entity which was formed by Kevin and Julie Judge to operate a second location of an upscale salon, Tru Salon, on Park Avenue. Tru Salon was started in 2005 when Kevin and Julie Judge purchased an existing salon business in Pittsford, NY. The salon, which provides hair care,

skin care and cosmetics, is an Aveda Concept salon. Over the past seven years, the Judges have substantially grown the business, increasing both sales and employment.

Due to the success of Tru Salon, the Judges have decided to open a second location at 603 Park Avenue in the city of Rochester. The new business will be located at 603 Park Avenue and will also be an Aveda Concept salon. The business will be owned by the Judges, as well as a key employee who will operate the new salon. The project consists of the purchase of a two-story 2,429 sq ft building located at 603 Park Avenue to house the new salon business as well as the purchase of new inventory, FF&E, and signage. A real estate holding company called Tru Holdings, LLC will be formed to purchase the real estate. The SBA 504 loan will be utilized for the building purchase.

The loan request is for \$112,000. The total project cost is \$280,000. The project financing structure will consist of a \$140,000 first mortgage loan provide by M&T Bank, \$112,000 SBA 504 loan, and \$28,000 in equity. The SBA 504 loan will be secured by (a) \$112,000 second mortgage and second assignment of leases and rents on the real estate located at 603 Park Avenue (b) personal guarantees of Kevin Judge and Julie Judge (c) corporate guarantee of Tru on Park, LLC (d) corporate guarantee of Tru Salon, Inc.

Sergio Esteban motioned to approve the resolution, seconded by Jim Genthner, and the resolution was unanimously approved.

IV. Other Business

Carlos Carballada asked about the status of required Board member training under the NYS Public Authorities Reform Act. Mr. Balestiere stated that most of the REDCO Directors had either completed the training or were enrolled for the on-line training. Mr. Balestiere also advised that he would be contacting Board members who have not completed or enrolled for the training and advise them of upcoming enrollment dates for the training.

The meeting was adjourned at 2:35 p.m.

ATTEST:


David J. Balestiere, REDCO Secretary