



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

June 19, 2014 REDCO Board of Directors Meetings Minutes

Directors Present: Charles Benincasa; Gary Bonadonna; Sergio Esteban; James Genthner; Dana Miller; Richard Mueller; Ruth Scott; Dr. Delmonize Smith; Julio Vazquez;

Staff Present: Karen Altman; Don Crumb, Esq; Beth Ehmann; Susan Holt; Thad Schofield

Secretary Present: David J. Balestiere

Dr. Delmonize Smith called the meeting to order at 12:05 p.m.

Dr. Smith started the meeting by advising the Board that Spencer Ash, formerly City of Rochester Director of Business and Housing Development and ex-officio REDCO Director, was no longer serving in the capacity as Director of Business and Housing Development. As such, Mr. Ash is no longer a member of the REDCO Board of Directors. Dr Smith noted that a replacement position, possibly Assistant Commissioner of Neighborhood & Business Development, would likely be created and filled within approximately one month. David Balestiere advised that this position would likely replace the Director of Business and Housing Development position as an ex-officio position.

I. Approval of Minutes:

Prior to the vote on the April 4, 2014 REDCO Board of Directors minutes, Ruth Scott suggested that the minutes be amended to show the names of the members of the Executive Committee. David Balestiere advised that the minutes would be so amended. Ruth Scott motioned to approve the April 4, 2014 minutes, seconded by Julio Vazquez, and the minutes were unanimously approved.

II. Resolution: CVI Laser, LLC d/b/a Melles Griot Roof Repair

Thad Schofield presented this resolution. The Board reviewed a request for REDCO to enter into a Professional Services Agreement with A. M. Stern, Inc. in the amount of \$279,700 for a full roof replacement on the REDCO-owned building leased to CVI Laser, LLC d/b/a Melles Griot located at 55 Science Parkway.

REDCO constructed this facility in 1989 and entered into a long-term lease with Melles Griot, Inc, a locally-based optics manufacturing company. Melles Griot has gone through a number of ownership changes and is now known as CVI Laser, LLC d/b/a Melles Griot (CVI). The lease with CVI is on a triple net basis; REDCO is responsible for all repairs to the building. The roof has been leaking for a number of months and CVI brought the matter to REDCO's attention when the leaks were becoming worse. REDCO staff worked with architects from the City of Rochester Environmental Services Department to analyze the problem. DES recommended a full roof replacement. Five RFQ's were sent to major City-based roofing contractors. Four responses were received, with AM Stern, Inc. being the lowest.

Sergio Esteban motioned to approve the resolution, seconded by Ruth Scott, and the resolution was unanimously approved.

III. Resolution: 448 Smith Street (Maguire Building) Lease Extension

David Balestiere presented this resolution. The Board reviewed a resolution which amends an existing lease for 448 Smith St between REDCO and the city of Rochester to extend the lease terms of Area Two and Area Three inside the building through December 31, 2015.

448 Smith Street is 24,814 square foot industrial building located on a 1.5-acre lot adjacent to Sahlen's professional soccer stadium. The building was acquired by REDCO in October 2008 to assist City of Rochester in the stabilization of the stadium following the failure of Rochester Rhinos Stadium, LLC. In 2012, REDCO entered into a lease with the City to eliminate the annual operating costs of the facility. The City subleases Areas One and Two to ASC.

The facility is separated into three areas. Area One is 8,990 sq ft and currently houses the Rhinos offices, team area/ locker room facilities. Area Two is 10,559 sq ft and is utilized by the Rhinos as a storage area. Area Three is 5,265 sq ft and is a separate storage area that is currently being utilized by the City Department of Environmental Services.

Richard Mueller motioned to approve the resolution, seconded by Gary Bonadonna, and the resolution was unanimously approved.

IV. Resolution: SBA 504 Loan – Trillitek, Inc.

Beth Ehmann presented this resolution. Beth Ehmann presented this loan request. The Directors reviewed a request for a \$140,000 SBA 504 loan (\$144,000 debenture amount).

Trillitek, Inc (Trillitek) is a new company formed by Timothy J. Grove to acquire the business assets of Steel Work, Inc. (SW). SW cuts and forms sizeable pieces of steel into smaller segments that manufacturers then use to machine into parts and components. The business was founded in 1946 and has been owned by Tom Van Buskirk since 1972. Mr. Van Buskirk is ready to retire and has entered into an agreement to sell the company's assets to Mr. Grove. As part of the asset purchase, Mr. Grove is buying SW's real estate located at 340 Oak Street for \$400,000. The facility is a 9,600 sq ft manufacturing building located on a 1.4-acre lot. The non-real estate assets being purchased by Trillitek are being financed with bank debt, seller note and cash.

The loan request is for \$140,000. The total project cost is \$400,000. The financing structure for the project will be: (1) M&T Bank: \$200,000 first mortgage loan; \$140,000 SBA 504 loan and \$40,000 in equity. The SBA 504 loan will be secured by (a) \$140,000 second mortgage on the real estate located at 340 Oak Street (b) personal guarantee of Timothy J. Grove.

Sergio Esteban motioned to approve the resolution, seconded by Julio Vazquez and the resolution was unanimously approved. NOTE: Richard Mueller was not present for this vote.

V. Other Business

David Balestiere noted that this would be Don Crumb's last Board meeting as REDCO counsel. Mr. Crumb is leaving the City of Rochester to take another position. Mr. Crumb has been REDCO counsel for 16 years.

The meeting was adjourned at 1:07 PM.

ATTEST:


David J. Balestiere, REDCO Secretary