



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

November 13, 2014 REDCO Board of Directors Meetings Minutes

Directors Present: Charles Benincasa; Gary Bonadonna; Sergio Esteban; James Genthner; Michelle Hutchinson; Dana Miller; Richard Mueller; David Rodriguez; Loretta Scott; Ruth Scott; Delmonize Smith; Julio Vazquez; David Young

Staff Present: Karen Altman; Tim Curtin, Esq; Henry Fitts; Steve Golding; Susan Holt; Thad Schofield

Secretary Present: David J. Balestiere

Delmonize Smith called the meeting to order at 12:10 p.m.

I. Approval of Minutes:

David Balestiere presented the minutes from the April 4, 2014 Board of Directors meeting. Sergio Esteban motioned to approve the minutes, seconded by Gary Bonadonna, and the minutes were unanimously approved.

II. Report: Executive Committee Minutes

David Balestiere and Henry Fitts presented the report on the minutes from the October 1, 2014 Executive Committee. The Executive Committee approved a resolution authorizing REDCO, LLC, a subsidiary of REDCO, to submit a 2014 New Markets Tax Application for an allocation of New Market Tax credits from the federal government. If approved, REDCO would have the ability to allocate these credits to economic development projects in the City of Rochester. This is REDCO's third application. REDCO was not approved for its 2012 and 2013 applications due to large amounts of competition.

III. Resolution: New IMCP Loan Fund

David Balestiere and Thad Schofield presented this resolution. The Board reviewed a resolution which authorizes REDCO to establish a new revolving loan fund named REDCO IMCP Loan Fund in the amount of \$1,000,000.

Earlier this year, New York Finger Lakes Region, led by the City of Rochester, was designated as a "Manufacturing Community" by the US Department of Commerce under the Investing in Manufacturing Partnership (IMCP). The designation offers selected regions in the US preferential consideration for up to \$1.3 billion in federal dollars and assistance from 10 federal agencies. The new IMCP Loan Fund will be a corollary to this designation and is designed to provide additional financial support to manufacturing companies in the City who participate in the program. The new loan program will be in the initial amount of \$1,000,000, with loans limited to \$200,000. Loans will be for equipment purchases only. Applicants must be involved in three distinct industries: advanced manufacturing, optics, and photonics. Applicants must also have an established contractual/professional/legal/ relationship with a designated IMCP partner.

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



IV. Resolution: By-law Amendment – Elimination of Members

David Balestiere presented this resolution. The Directors reviewed a resolution to amend the REDCO by-laws to eliminate the class of Members.

REDCO is a Certified Development Company under the US Small Business Administration 504 loan program. As such, REDCO is required to adhere to certain regulations pertaining to its organizational structure. In 2014, SBA modified a number of CDC operational requirements. One of the modifications was elimination of the requirement that CDC's maintain 25 Members in addition to its Board of Directors. Elimination of the class of Members greatly simplifies REDCO's organizational structure as well as its ability to appoint and fill vacancies in its Board of Directors.

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

V. Resolution: By-law Amendment- Deputy Commissioner of Neighborhood & Business Development

David Balestiere presented this resolution. The Directors reviewed a resolution to amend the REDCO by-laws to eliminate the ex-officio title of Director of the Bureau of Business & Housing Development – City of Rochester and replace it with Deputy Director – Neighborhood & Business Development Department – City of Rochester.

The current REDCO by-laws provide that the position of Director of the Bureau of Business & Housing Development-City of Rochester be an ex-officio member of the Board of Directors. This position was vacated in 2014 when the existing Bureau Director left the employment of the City. This position was subsequently replaced by a new position – Deputy Director of Neighborhood & Business Development – City of Rochester. In order to make this new position an ex-officio position on the REDCO Board, the by-laws are being modified to reflect this change.

Gary Bonadonna motioned to approve the resolution, seconded by Charles Benincasa, and the resolution was unanimously approved.

VI. Resolution: Appointment of Kathleen Washington- Vice President

David Balestiere presented this resolution. The Directors reviewed a resolution to appoint Kathleen Washington to the position of Vice President of REDCO.

Kathleen Washington was named to the position of Deputy Director -Neighborhood & Business Development Department – City of Rochester in 2014. With this position now being an ex-officio Director's position, Ms. Washington is now on the REDCO Board of Directors. Ms. Washington is being appointed as Vice President of REDCO. The Vice President has all of the authority of the President in the President's absence.

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

VII. Resolution: Appointment of Kathleen Washington – Executive Committee

David Balestiere presented this resolution. The Directors reviewed a resolution to appoint Kathleen Washington to the REDCO Executive Committee.

Kathleen Washington was named to the position of Deputy Director -Neighborhood & Business Development Department – City of Rochester in 2014. With this position now being an ex-officio Director's position, Ms. Washington is now on the REDCO Board of Directors. Ms. Washington is being appointed to the REDCO Executive Committee. The REDCO Executive Committee has the authority to approve most matters of business on behalf of the entire Board except for major business decisions. The Executive Committee is utilized primarily for de minimus decisions which are required to be made in a short time period.

Michelle Hutchinson motioned to approve the resolution, seconded by David Young, and the resolution was unanimously approved.

VIII. Resolution: Appointment of Keith Cleary – Director

David Balestiere presented this resolution. The Directors reviewed a resolution to appoint Keith Cleary as a member of the REDCO Board of Directors.

REDCO is a Certified Development Company under the US Small Business Administration 504 loan program. In 2014, SBA modified a number of CDC operational requirements. One of the modifications requires that a Director of a CDC not simultaneously serve as a Director of another CDC operating within the CDC's Area of Operations. REDCO Director David Brooks also serves as a Director of the Monroe County Industrial Development Corporation, a CDC operating in REDCO's Area of Operations. Mr. Brooks chose to resign from the REDCO Board to comply with the new regulation.

REDCO is also required under SBA regulations to maintain two members of the Board of Directors who are active in the field of commercial lending. Mr. Brooks served as one of these two Directors. Keith Cleary has over 25 years in the commercial lending industry and currently serves as Vice President-Director of Business Banking for ESL Federal Credit Union.

Sergio Esteban motioned to approve the resolution, seconded by David Young, and the resolution was unanimously approved.

IX. Resolution: Metro Falls Development, LLC – Revolving Loan Fund Loan

Steve Golding presented this resolution. The Directors reviewed a request for a \$500,000 loan from the REDCO revolving loan fund to Metro Falls Development, LLC.

Metro Falls Development, LLC (MFD) is owned by three investors: Benton Kendig (33 1/3%), Todd Clicqunnoi (33 1/3%), and Robert Lindsay (33 1/3%). Mr. Kendig has been a real estate developer since 1980 and has significant experience in the redevelopment of historic buildings. Mr. Kendig has undertaken significant development of various properties located in the High Falls area.

The centerpiece and anchor of the City's \$25 million investment in the High Falls area in the 1980's-1990's was the Centers at High Falls and Brown's Race Market. The buildings have undergone numerous changes in operators and uses since the City's investment. Currently, the properties are vacant other than LaLuna Restaurant and the High Falls Interpretive Center. Rochester City Council approved the sale of both properties to MFD in August 2014. MFD intends to invest \$784,000 into the properties to create a new mixed-use development with commercial office and residential apartments. The total project investment is \$1,464,000 and is being funded with an investor loan and equity. The REDCO loan will be used to fund a portion of the construction costs. The loan will be on an interest-only basis for three years at 1% interest and will be secured by an unconditional letter of credit provided by Canandaigua National Bank & Trust. The loan will be repaid from an expected refinancing of the project once the project is completed and stabilized.

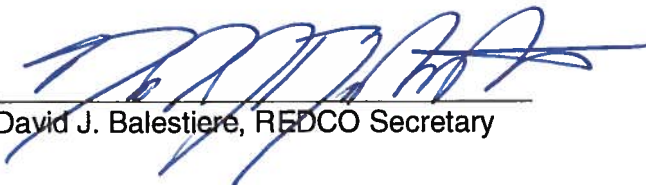
David Young motioned to approve the resolution, seconded by Ruth Scott, and the resolution was unanimously approved.

X. Other Business

David Balestiere advised the board of three items of business: (1) there will be a Board meeting scheduled for December for the Board to review the FYE 9/30/14 audit and the 2014 annual NYS Authority Budget Office reports (2) Freed Maxick, CPA's have completed the fieldwork for the FYE 9/30/14 audit (3) On November 17, 2014, a defaulted SBA 504 loan owed by LDD Enterprises, LCC was repaid in full through the sale of the real estate collateral.

The meeting was adjourned at 1:03 PM.

ATTEST:



A handwritten signature in blue ink, appearing to read 'D. Balestiere', is written over a horizontal line.

David J. Balestiere, REDCO Secretary