



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

December 2, 2014 REDCO Executive Committee Meetings Minutes

Executive Committee Members Present: Sergio Esteban; Loretta Scott; Delmonize Smith; Kathleen Washington;

Staff Present: Karen Altman; Thad Schofield

Secretary Present: None (Karen Altman and Thad Schofield took notes on the meeting)

Location: Rochester City Hall – Conference Room

Delmonize Smith called the meeting to order at 2:30 p.m.

I. Resolution: Whitney Baird Associates, LLC: Modification of Existing Loans

Karen Altman presented this resolution. The Board reviewed a resolution which modifies the terms of two existing loans to Whitney Baird Associates (WBA).

WBA is the owner/developer of the commercial properties located at 145 Culver Road and 56 Hinsdale Street known as Culver Road Armory (CRA). WBA was formed by the Rainaldi family to purchase and re-development the former New York State Armory building in 2011. At present, Phase 1 of the CRA project is completed, 80% of the total 100,000 square foot leased. REDCO assisted with this phase of the project by providing a \$2,000,000 loan secured by, among other things, a second collateral mortgage and assignments of rents and leases, subordinated to an \$8,500,000 first collateral mortgage and assignment of leases and rents held by M&T Bank. In 2013, WBA undertook Phase II of the project, involving the development of a total of 41,000 square feet of additional space. REDCO assisted with Phase II of the project by providing a \$500,000 loan, secured by, among other things, a fifth collateral security mortgage and assignment of leases and rents behind first, second, and third mortgage liens totaling \$15,822,000 held by M&T Bank and a fourth collateral mortgage lien held by REDCO to secure the \$2,000,000 loan. At present, the two REDCO loans total \$2,320,170 and are secured by, among other things, third and fourth collateral mortgages on the CRA real estate, subordinated to a total of \$15,500,000 in total M&T Bank mortgages.

WBA is engaged in a new project involving the establishment of new retail space in the Phase I building to accommodate a new tenant. Funding for the new \$900,000 investment is being provided by M&T Bank. WBA has requested that REDCO subordinate its current collateral position on both loans to the new \$900,000 in M&T Bank financing.

Sergio Esteban motioned to approve the resolution, seconded by Kathleen Washington, and the resolution was unanimously approved.



II. Resolution: CVI Laser dba Melles Griot, LLC Lease Extension

Thad Schofield presented this resolution. The Executive Committee reviewed a resolution to extend an existing lease with CVI Laser dba Melles Griot, LLC for the property located at 55 Science Parkway for 60 days from December 1, 2014 to January 31, 2014.

REDCO constructed a 31,878 square foot light manufacturing building at 55 Science Parkway in 1989 and leased the facility to Melles Griot, Inc (MG). MG was a manufacturer of precision optical products. MG has undergone a number of ownership changes since 1989. The business is now known as CVI Laser dba Melles Griot, LLC (CVI), and is a division of Idex Corporation. The original lease executed with MG was a 20-year lease structured as an initial 10-year lease followed by an option to renew the lease for an additional 10 years. Following the expiration of the original 20-year lease, CVI entered into a series of one-year leases with REDCO at reduced rental rates. The last one-year renewal terminated on November 30, 2014. REDCO staff has been in continued discussions with CVI management prior to the expiration of the existing lease. REDCO staff has been attempting to structure a three-year lease with base rent amounts escalating annually over the term of the new lease. These discussions are still on-going, so REDCO staff has requested that the REDCO Board approve a 60-day extension of the lease to allow for sufficient time to complete the negotiations.

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

The meeting was adjourned at 3:00 PM.

ATTEST:



David J. Balestiere, REDCO Secretary