



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

June 12, 2015 REDCO Board of Directors Meetings Minutes

Directors Present: Charles Benincasa; Gary Bonadonna; Sergio Esteban; James Genthner; Barbara Jones; Dana Miller; Richard Mueller; Baye Muhammad; David Rodriguez; Loretta Scott; Ruth Scott; Dale Trott; Kathleen Washington;

Staff Present: Daisy Algarin; Karen Altman; Tim Curtin, Esq; Susan Holt; Matthew McCarthy;

Secretary Present: David J. Balestiere

Baye Muhammad called the meeting to order at 12:05 p.m.

David Balestiere opened the meeting with an update for the Directors. He advised the Directors that Baye Muhammad had recently joined the City of Rochester of the Commissioner of Neighborhood & Business Development and that this position is an ex-officio position on the REDCO Board of Directors. The Directors were also advised that the Mayor, per the REDCO by-laws, had appointed Mr. Muhammad as Chairperson of the REDCO Board.

Mr. Muhammad introduced himself to the Directors.

I. Approval of Minutes:

David Balestiere presented the minutes from the March 27, 2015 Board of Directors meeting. Gary Bonadonna motioned to approve the minutes, seconded by Sergio Esteban, and the minutes were unanimously approved.

II. Resolution: 1461 Hudson Avenue, LLC – SBA 504 Loan

Daisy Algarin presented this resolution. The Directors reviewed a request for an \$89,845 SBA 504 loan (\$93,000 debenture).

1461 Hudson Avenue, LLC is a real estate holding company formed to acquire the real estate located at 1461 Hudson Avenue. Quantum Sails Rochester, LLC is a company formed by Kristopher L. Werner to acquire the assets of Haarstick Sailmakers, Inc. Haarstick is a manufacturer of custom sails and also provides sail repairs and other related services. Haarstick was formed in 1970 and was owned by Steven Haastick. Mr. Haarstick was ready to retire and sold the business to Mr. Werner who had worked at the business for three years on May 15, 2015.

The real estate, located at 1461 Hudson Avenue, is being acquired for \$256,700. The facility is an 8,760 square foot commercial building located on a .59-acre lot. 1461 Hudson Avenue, LLC will lease the facility to Quantum Sails of Rochester, LLC.

The loan request is for \$89,845. The total project cost is \$256,700. The financing structure for the project will be: (1) Fairport Savings Bank: \$128,350 first mortgage loan; \$89,845 SBA 504 loan and \$38,505 in equity. The SBA 504 loan will be secured by (a) \$89,845 second mortgage on the real estate



located at 1461 Hudson Avenue (b) second assignment of leases and rents (c) personal guarantee of Kristofer L. Werner (d) corporate guarantee of Quantum Sails of Rochester, LLC (e) assignment of life insurance on the life of Kristofer L. Werner in the amount of \$93,000.

Jim Genthner motioned to approve the resolution, seconded by Dana Miller, and the resolution was unanimously approved.

III. Resolution: Appointment of Baye Muhammad as President of REDCO and Appointment of Baye Muhammad as a Member of the REDCO Executive Committee

David Balestiere presented this resolution.

Under the REDCO by-laws, the position of Commissioner of Neighborhood & Business Development-City of Rochester is an ex-officio position on the REDCO Board of Directors. Upon starting employment in this capacity in 2015, Mr. Muhammad became a Director of REDCO. Traditionally, the NBD Commissioner has also served as REDCO President as well as a member of the REDCO Executive Committee. Both of these appointments are required to be approved and confirmed by the REDCO Board of Directors. The REDCO President serves as the Chief Executive Officer of the corporation.

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

IV. Resolution: Approval of \$110,000 Management Fee to City of Rochester for FY 14/15

David Balestiere presented this resolution.

Since 2006, REDCO has paid an annual management fee to the City of Rochester for administrative, management, and legal-related functions. The present fee is \$110,000, with \$40,000 allocated to the Neighborhood & Business Development Department and \$70,000 allocated to the City Law Department. The fee is based on calculations which utilize hourly rates and time allocation for specific functions performed by NBD staff and Law Department staff.

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

V. Resolution: ELR Associates, LLC – SBA 504 Loan

Karen Altman presented this resolution. The Directors reviewed a request for a \$1,036,000 SBA 504 loan (\$1,064,000 debenture).

Syntec Technologies Inc. d/b/a Syntec Optics (Syntec) was founded in 1981 and acquired in 1999 by Alok Kapoor, principal of Millennium Ventures. ELR Associates, LLC is a real estate holding company which is 100% owned by Alok Kapoor. Syntec is a fully-integrated business which provides optics manufacturing, including opto-mechanicals, optical elements, and diamond-turned optical products. Additionally, the company provides optical systems including electro-optics assembly, design, coating lab, testing, and software development. The company is the largest independent custom manufacturer of polymer optics in the United States. The company includes its wholly-owned subsidiary, Rochester Tool and Mold, Inc, and an affiliate, Wordingham Machine Co., Inc. d/b/a Wordingham Technologies. Wordingham Machine Co., Inc d/b/a Wordingham Technologies is 100% owned by Alok Kapoor. The three business currently operate out of three separate facilities. The businesses plan to consolidate the operations into a single facility located in the City of Rochester. The project consists of the purchase and renovation of an existing building located at 515 Lee Rd as well as the purchase of equipment.

The real estate is being acquired for \$2,614,000. The facility is a 65,760 square foot industrial building located on a .59-acre lot. ELR Associates, LLC will lease the building to Syntec and Wordingham Machine Co., Inc. d/b/a Wordingham Technologies.

The loan request is for \$1,036,000. The total project cost is \$2,614,000. The financing structure for the project will be: (1) M&T Bank: \$1,295,000 first mortgage loan; \$1,036,000 SBA 504 loan and \$283,000 in equity. The SBA 504 loan will be secured by (a) \$1,036,000 second mortgage on the real estate located at 515 Lee Road (b) second assignment of leases and rents (c) personal guarantee of Alok Kapoor (d) corporate guarantee of Syntec, Rochester Tool and Mold, Inc., and Wordingham Machine Co., Inc d/b/a Wordingham Technologies (e) assignment of life insurance on the life of Alok Kapoor in the amount of at least \$1,036,000.

Sergio Esteban motioned to approve the resolution, seconded by David Rodriguez, and the resolution was approved by a majority of the Directors present. Richard Mueller abstained

VI. Resolution: Syntec Technologies, Inc d/b/a Syntec Optics – SBA 504 Loan

Karen Altman presented this resolution. The Directors reviewed a request for a \$655,984 SBA 504 loan (\$674,000 debenture).

Syntec Technologies Inc. d/b/a Syntec Optics (Syntec) was founded in 1981 and acquired in 1999 by Alok Kapoor, principal of Millennium Ventures. ELR Associates, LLC is a real estate holding company which is 100% owned by Alok Kapoor. Syntec is a fully-integrated business which provides optics manufacturing, including opto-mechanicals, optical elements, and diamond-turned optical products. Additionally, the company provides optical systems including electro-optics assembly, design, coating lab, testing, and software development. The company is the largest independent custom manufacturer of polymer optics in the United States. The company includes its wholly-owned subsidiary, Rochester Tool and Mold, Inc, and an affiliate, Wordingham Machine Co., Inc. d/b/a Wordingham Technologies. Wordingham Machine Co., Inc d/b/a Wordingham Technologies is 100% owned by Alok Kapoor. The three businesses currently operate out of three separate facilities. The businesses plan to consolidate the operations into a single facility located in the City of Rochester. ELR Associates, LLC will purchase the real estate located at 515 Lee Road and lease it to Syntec and Wordingham Machine Co., Inc d/b/a Wordingham Technologies. The project consists of the purchase of new production equipment.

The loan request is for \$655,984. The total project cost is \$1,639,960. The financing structure for the project will be: (1) M&T Bank: \$819,980 term loan; \$655,984 SBA 504 loan and \$163,996 in equity. The SBA 504 loan will be secured by (a) \$655,985 second lien on purchased equipment (b) personal guarantee of Alok Kapoor (d) corporate guarantee of Syntec, Rochester Tool and Mold, Inc., and Wordingham Machine Co., Inc d/b/a Wordingham Technologies (e) corporate guarantee of ELR Associates, LLC (f) assignment of life insurance on the life of Alok Kapoor in the amount of at least \$674,000.

Sergio Esteban motioned to approve the resolution, seconded by David Rodriguez, and the resolution was approved by a majority of the Directors. Richard Mueller abstained.

VII. Resolution: Syntec Technologies, Inc. – IMCP Loan Fund Loan

Syntec Technologies Inc. d/b/a Syntec Optics (Syntec) was founded in 1981 and acquired in 1999 by Alok Kapoor, principal of Millennium Ventures. ELR Associates, LLC is a real estate holding company which is 100% owned by Alok Kapoor. Syntec is a fully-integrated business which provides optics manufacturing, including opto-mechanicals, optical elements, and diamond-turned optical products. Additionally, the company provides optical systems including electro-optics assembly, design, coating lab, testing, and software development. The company is the largest independent custom manufacturer of polymer optics in the United States. The company includes its wholly-owned subsidiary, Rochester

Tool and Mold, Inc, and an affiliate, Wordingham Machine Co., Inc. d/b/a Wordingham Technologies. Wordingham Machine Co., Inc d/b/a Wordingham Technologies is 100% owned by Alok Kapoor. The three business currently operate out of three separate facilities. The businesses plan to consolidate the operations into a single facility located in the City of Rochester. The project consists of the purchase and renovation of an existing building located at 515 Lee Rd as well as the purchase of equipment.

The real estate is being acquired for \$2,614,000. The facility is a 65,760 square foot industrial building located on a .59-acre lot. ELR Associates, LLC will lease the building to Syntec and Wordingham Machine Co., Inc. d/b/a Wordingham Technologies.

The project consists of building renovations and moving costs totaling \$1,083,050. The financing structure of the project will consist of: (1) \$200,000 REDCO IMCP Loan Fund Program loan (2) \$200,000 City grant (3) \$300,000 RG&E grant (4) \$283,050 in equity.

The REDCO loan will be secured by: (1) first lien on existing piece of equipment owned by Syntec b) personal guarantee of Alok Kapoor (d) corporate guarantee of Syntec, Rochester Tool and Mold, Inc., and Wordingham Machine Co., Inc d/b/a Wordingham Technologies (e) corporate guarantee of ELR Associates, LLC.

Sergio Esteban motioned to approve the resolution, seconded by David Rodriguez, and the resolution was approved by a majority of the Directors. Richard Mueller abstained.

VIII. 200 East Avenue Associates, L. P.- Philip J. Banks Small Business Assistance Program Loan

Matt McCarthy presented this resolution. The Directors reviewed a request for a \$50,000 loan from the Philip J. Banks Small Business Assistance Program.

200 East Avenue Associates, L.P. is a real estate company formed in 1998 to acquire and redevelop the former Hallman Chevrolet automobile dealership and service garage located at 200 East Avenue. The company is owned by Conifer HP-BC LP and Conifer Realty, LLC. Conifer is a full-service real estate company specializing in the development and management of affordable housing communities. As part of the Hallman Chevrolet project, the former dealership building was redeveloped into a 9,287 sq ft retail/commercial space.

The project involves building renovations and tenant improvements to the former dealership building which will allow 200 East Avenue Associates, L.P. to lease 1,700 sq ft of currently vacant space to a new restaurant tenant. The total project cost is \$179,115. The funding consists of \$115,000 in tenant equity, \$14,115 in developer equity, and a \$50,000 REDCO loan.

The REDCO loan will be secured by a \$50,000 irrevocable standby letter of credit to be issued by M&T Bank.

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

IX. Other Business

None.

The meeting was adjourned at 1:25 PM.

ATTEST:


David J. Balestiere, REDCO Secretary