



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

## May 26, 2016 REDCO Board of Directors Meeting Minutes

**Directors Present:** Charles Benincasa; Gary Bonadonna, Jr.; Keith Cleary; Michelle Hutchinson; Barbara Jones; Dana Miller; Richard Mueller; Baye' Muhammad; David Rodriguez; Loretta Scott; Ruth Scott; Dale Trott; Julio Vazquez;

**Staff Present:** Tim Curtin, Esq; Henry Fitts; Susan Holt; Mark Fitzstevens; Anna Keller; Thad Schofield, Amy Ventura

**Guests Present:** Richard Finley – Buckingham Properties; Kenneth Glazer- Buckingham Properties

**Secretary Present:** David J. Balestiere

Baye Muhammad called the meeting to order at 12:05 P.M.

### **I. Approval of Minutes:**

David Balestiere presented the minutes from the April 28, 2016 Board of Directors meeting. Ruth Scott motioned to approve the minutes, seconded by Julio Vazquez, and the minutes were unanimously approved.

### **II. Resolution- Midtown Tower, LLC- Revolving Loan Fund**

Anna Keller presented this resolution. The Directors reviewed a request for a \$2,500,000 loan from the Revolving Loan Fund

Midtown Tower, LLC (MT) is an entity formed as a joint venture between Morgan Management and Buckingham Properties to redevelop the former Midtown Tower into a mixed- use building. The LLC is owned 50% by Robert C. Morgan and 50% by the estate of Lawrence C. Glazer. The project includes 181 luxury residential units, two floors of Class A office space, and ground floor retail. The total project investment is \$63,120,000.

The REDCO loan will be part of the funding to pay for additional tenant improvement costs relating to the Class A office space and ground floor retail. This portion of the project totals \$5,427,559. The funding consists of the \$2,500,000 REDCO loan, and \$2,927,559 in developer equity loan. The REDCO loan will be secured by a: (a) 6<sup>th</sup> mortgage lien on the real estate located at 280 East Broad Street (b) joint and several guarantees of Robert C. Morgan and the estate of Lawrence C. Glazer (c) corporate guarantee of 39 Cascade Drive, LLC (owned by the estate of Lawrence C. Glazer). The guarantee will be secured by a first collateral mortgage on real estate the real estate at 39 Cascade Drive.

Following the presentation by Anna Keller and Mark Fitzstevens, Richard Finley and Kenneth Glazer answered questions from the Directors. The Board then went into Executive Session for further discussion by the Directors. Chairperson and President Baye' Muhammad then advised the Board that the resolution would be voted on at the end of the Board meeting. At the end of the Board meeting, Chairperson and President Baye' Muhammad asked for a vote on the resolution. Dana Miller motioned to approve the resolution, seconded by Julio Vazquez. Keith Cleary and Richard Mueller abstained due to the fact that both Directors are employed by banks which are current lenders to



Midtown Tower, LLC. Barbara Jones and David Rodriguez abstained. Dale Trott voted no. The remaining Directors voted yes. The resolution was approved by a yes vote by a majority of the Directors present.

### **III. Resolution – KIVA Zip Program**

Henry Fitts, Director of the City of Rochester's Office of Innovation, and Amy Ventura, an associate in the City of Rochester's Office of Innovation, presented this resolution. The Directors reviewed a request for a \$100,000 investment by REDCO in the KIVA ZIP program.

KIVA was founded in 2005 as a non-profit organization which facilitates micro-lending low-to-moderate individuals via a crowd-funding concept utilizing the internet. The KIVA ZIP program was launched in 2011, and was designed to provide micro-lending in the United States. The REDCO funding would be used to establish a revolving loan fund to provide matching funding to KIVA loan borrowers who have been approved by a Rochester-based KIVA Zip office. Loans made to borrowers would be 0% loans and would provide small loans to businesses located in the City of Rochester.

The REDCO funding would match on a 1:1 basis any funds raised through KIVA's internet crowd-funding program. All administrative activities would be handled by the to-be-established Rochester KIVA Zip office. The REDCO funding commitment will be for a period of one year. The Board will evaluate the effectiveness of the program after this one year period.

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

### **IV. Resolution - Annual Management Fee to City of Rochester**

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 fee for the City's fiscal year ended June 30, 2016 is \$70,000. \$40,000 is allocated to the Neighborhood & Business Development Department and \$30,000 is allocated to the City Law Department.

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

### **V. Resolution- Appointment of Thad Schofield as REDCO Secretary**

Baye' Muhammad presented this resolution.

Thad Schofield, of the City of Rochester Neighborhood & Business Development Department is replacing David Balestiere as REDCO Secretary. Mr. Balestiere has been the Secretary for 18 years.

Barbara Jones motioned to approve the resolution, seconded by Dale Trott, and the resolution was unanimously approved.

### **VI. Other Business**

None

The meeting was adjourned at 2:10 PM.

ATTEST:

  
David J. Balestiere, REDCO Secretary