



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

August 31, 2016 REDCO Board of Directors Meeting Minutes

Directors Present: Charles Benincasa; Jennifer Berrios; Keith Cleary; Barbara Jones; Dana Miller; Baye' Muhammad; Richard Mueller; Dale Trott; Julio Vasquez and Kate Washington

Staff Present: Daisy Algarin; Dave Balestiere; Tim Curtin; Susan Holt and Raul Salinas

Guest Present: None

Secretary Present: Thaddeus S. Schofield

Baye' Muhammad called the meeting to order at 12:05 pm

- I. Thaddeus Schofield presented minutes from May 26, 2016 Board of Directors meeting. Charlie Benincasa motioned to approve the minutes, seconded by Julio Vazquez, and the minutes were unanimously approved.
- II. Introduction of New Board Member – Baye' Muhammad introduced Jennifer Berrios. Jennifer is filling the recently vacant position previously filled by James Genther.
- III. Resolution – Schreiber Family Properties, LLC – David Balestiere presented this resolution. The Directors reviewed a request for a \$350,000 REDCO Revolving Loan.

Main Ford General Supply Co., Inc., is the operating company. The company was founded in 1954 as a distributor of food service/kitchen equipment and supplies. The owner of the company is Charles Schreiber (100% ownership interest).

The project consists of the construction of a 28,500 square foot building addition to the real estate located at 15 St. James Street along with related



racking/warehouse equipment purchases. The total project cost is \$1,268,380. This comprises of building construction/renovations in the amount of \$1,005,280, infrastructure/site work of \$20,000; equipment purchases of \$195,000 and soft costs of \$48,100.

The financing structure for the project will be: M&T Line of Credit in the amount of \$650,000; REDCO RLF for \$350,000, \$100,000 NYS ESD Grant and \$168,380 equity contribution.

The \$350,000 REDCO loan will be utilized to finance a portion of the building construction costs. It will have a 10 year term, and have a fixed interest rate of 1%. The loan will be secured by a \$350,000 irrevocable standby letter of credit issued by M&T Bank in favor of REDCO.

Barbara Jones motioned to approve the resolution, seconded by Dale Trott, and all approved. Richard Mueller abstained.

- IV. Resolution – Woerner Industries, LLC (Real Estate Holding Company to-be-formed). Thaddeus Schofield presented the resolution. The Directors reviewed a request for a \$262,500 SBA 504 Loan.

Woerner Industries, Inc., was originally founded as Rochester Novelty Works in 1890. The company was purchased by William Woerner in 1915, and later by John Little (100% ownership interest) in 2016. The business operates two divisions, manufacturing wooden church furniture, and products for the printing and graphic arts industry.

The project consists of the purchase of real estate at 471-485 Hague Street in the amount of \$650,000, building renovations amounting to \$71,000 and anticipated closing costs of \$29,000.

The financing structure for the project will be: Genesee Regional Bank (GRB) first mortgage in the amount of \$375,000, SBA 504 loan for \$262,500; City of Rochester building renovation matching grant in the amount of \$30,000 and \$82,500 in owners equity.

The term of the \$262,500 SBA 504 loan will be 20 years, with principal and interest payment based upon an amortization schedule calculated by Wells Fargo at the time of debenture funding. The loan will be secured by a second mortgage and assignment of rents and leases on the real estate

located at 471 and 485 Hague Street, along with an assignment of life insurance on the life of John Little in the amount of \$269,000. The loan will be guaranteed by John Little and Woerner Industries, LLC.

Kate Washington motioned to approve the resolution, seconded by Julio Vasquez and approved by all.

- V. Resolution – Elser Hague, LLC – Daisy Algarin presented this resolution. The Directors reviewed a request for a \$216,400 SBA 504 Loan.

Wolf Asset Procurement, Inc., is the operating company of Elser Hague, LLC. The company, an ecommerce businesses (electronics and some specialized medical supplies), was incorporated in October of 2015. The owner of the company is Thomas Nary (100% ownership interest).

The project consists of the purchase and renovation of the facility at 175 Hague Street. The real estate acquisition price is \$275,000, renovations total \$210,000 (contingency cost of 10% or \$21,000); anticipated closing costs of \$25,000 and construction interest of \$10,000.

The financing structure for the project will be: Canandaigua National Bank (CNB) first mortgage in the amount of \$270,000, SBA 504 Loan in the amount of \$216,400 and an equity contribution of \$54,100.

The SBA 504 loan will have a 20 year term and monthly principal and interest payments based upon an amortization schedule calculated by Wells Fargo at the time of debenture funding. It will be secured by a second mortgage and an assignment of rents and leases on the real estate located at 175 Hague Street behind the CNB first mortgage. Also, an assignment of life insurance on the life of Thomas Nary in the amount of \$222,000. The loan will be guaranteed by Thomas Nary, Wolf Asset Procurement, Inc. and Nary Enterprises, Inc.

Julio Vasquez motioned to approve the resolution, seconded by Charlie Benincasa and approved by all.

- VI. Resolution – Fuzzy Acre Rodents – Daisy Algarin presented this resolution. The Directors reviewed a request for an \$82,800 SBA 504 Loan.

Fuzzy Acres, established by Ryan Perry (100% ownership interest) in 2011, is an indoor animal farm that produces and distributes live and frozen food stock for other animals.

The project consists of the purchase of real estate for \$207,000, at 306 Norton Street.

The financing structure of the project will be: Canandaigua National Bank (CNB) first mortgage in the amount of \$103,500, SBA 504 Loan in the amount of \$82,800 and an equity contribution of \$20,700.

The term of the \$82,800 SBA 504 loan will be 20 years, with principal and interest payment based upon an amortization schedule calculated by Wells Fargo at the time of debenture funding. The loan will be secured by a second mortgage and assignment of rents and leases on the real estate located at 306 Norton Street, along with an assignment of life insurance on the life of Ryan Perry in the amount of \$85,000. The loan will be guaranteed by Ryan Perry and Ronald Perry.

Charlie Benincasa motioned to approve the resolution, seconded by Kate Washington. Dale Trott did not vote. All others approved.

VII. Other Business

None

The meeting was adjourned at 12:58.

ATTEST:



Thaddeus S. Schofield, REDCO Secretary