



November 22, 2013 REDCO Board of Directors Meetings Minutes

Directors Present: Carlos Carballada; Bret Garwood; Richard Mueller; David Rodríguez; Brian Roulin; Ruth Scott; Dale Trott; Julio Vazquez; David Young;

Staff Present: Don Crumb; Esq; Thad Schofield;

Secretary Present: David J. Balestiere

Carlos Carballada called the meeting to order at 12:10 p.m.

I. Approval of Minutes: June 30, 2013 Board of Directors Meeting

Dale Trott motioned to approve the June 30, 2013 REDCO Board of Directors minutes, seconded by David Young, and the minutes were unanimously approved. NOTE: Julio Vazquez was not present for this vote. Carlos Carballada asked for an update on the status of the three new REDCO committees. David Balestiere advised that the Audit, Finance, and Governance committees have been established and that each of the three committees has held one meeting to date.

II. REPORT: September 5, 2013 Executive Committee Minutes

David Balestiere and Bret Garwood presented a report on the September 5, 2013 Executive Committee Minutes. Bret Garwood advised the Board that REDCO has submitted a second application to the US Treasury for an allocation of New Market Tax Credits. The first application submitted by REDCO in 2011 was unsuccessful. Mr. Garwood advised that REDCO's first application was deemed fundable by the US Treasury, however, REDCO was competing against a large group of applicants. Mr. Garwood stated that REDCO should have a better opportunity with the second application.

III. Resolution: CVI/MellesGriot Lease Amendment

Thad Schofield presented this resolution. The Directors reviewed a resolution authorizing REDCO to amend an existing lease agreement with CVI Laser, LLC for a manufacturing facility owned by REDCO located at 55 Science Parkway.

In 1989, REDCO built a 31,878 square foot manufacturing facility on 3.6 acres of land owned by the city of Rochester at 55 Science Parkway. The facility was built specifically for Melles Griot, predecessor to CVI Laser, LLC. REDCO utilized COMIDA industrial revenue bond financing for the construction, leased the facility from COMIDA, and subleased the facility on a 20-year agreement with Melles Griot. With the retirement of the COMIDA debt in 2009, the facility ownership reverted to REDCO. CVI Laser, LLC, which had purchased Melles Griot in 2007, became the building tenant. In June 2011, CVI Laser, LLC was acquired by Idex Corporation.



The original sub-lease between REDCO and Melles Griot was for a 10-year term, expiring on 11/20/2000, at a rate of \$8.50/ sq ft triple net. The sub-lease also contained two 5-year extension options. In November 2010, REDCO agreed to modify and extend the lease with CVI Laser, LLC for two years at a reduced rental rate of \$6.50/sq ft triple net. In 2012, CVI Laser, LLC requested an extension of the lease at a reduced rental rate. After appropriate due diligence by City staff, REDCO offered to extend the sublease term to 11/30/13, reduce the rental rate to \$6.00/ sq ft triple net, and amend the lease to allow for two additional 6-month extensions.

The request is to amend the lease to provide for a one-year extension of the lease from 12/1/13-11/30/14 at \$6.00 /sq ft triple net with two six-month extensions of the lease. Thad Schofield advised the Board that City staff had recently completed new due diligence to ensure that the existing \$6.00 lease rate was appropriate. Staff had discussions with Moore Corporate Real Estate, Pyramid Brokerage, and Maguire Properties regarding the lease and the facility. The consensus was that \$6.00 is a reasonable and acceptable rent for a building of this kind.

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

IV. Resolution – Freed Maxick & Battaglia – New Audit Agreement

Brian Roulin presented this resolution. The Directors reviewed a request to enter into a new professional services agreement with the accounting firm of Freed Maxick & Battaglia, CPA's for the fiscal years 2013-2015 with two one-year extensions for fiscal years 2016 and 2017.

REDCO's auditing needs include an annual audit of the fiscal year-end financial statements, annual audit of REDCO investments, annual management letter, federal tax return, and NYS Charitable organization report. A single audit is only required in the event that REDCO receives in excess of \$500,000 in federal funds in any given fiscal year.

Brian Roulin explained that the REDCO work is put out to bid along with various City of Rochester audit agreements so that REDCO can benefit from a lower cost by being part of a larger bid package.

Three bids were returned and FMB was determined to be the lowest bidder. Brian Roulin also noted that REDCO's Audit Committee had met with a representative of FMB to review its audit plan.

Julio Vazquez motioned to approve the resolution, seconded by David Young, and the resolution was unanimously approved.

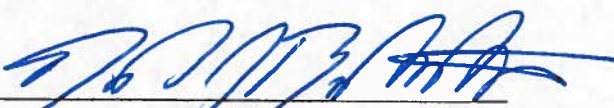
V. Other Business

David Balestiere advised the Board that three loans totaling \$3,500,000 are expected to be repaid by December 31, 2013. Two loans totaling \$2,000,000 are owed by Tops Markets, and a \$1,500,000 loan is owed by the Brooks Landing Hotel project developer.

Carlos Carballada asked David Balestiere to advise the members of the new Audit, Finance, and Governance meetings that he would like these committees to take minutes and have these minutes presented to the Board.

The meeting was adjourned at 1:00 p.m.

ATTEST:


David J. Balestiere, REDCO Secretary