



ECONOMIC DEVELOPMENT CORPORATION

Tuesday, September 12, 2019

Board Members Present	Board Members Excused
Robert Solenne, Chair	Walt Matyjas
Karen Parkhurst	Kevin Hill, Treasurer
Erica Wright	Supervisor Dan Marshall
Joseph Bridgeford, Vice Chair	David Bunnell, Secretary
Supervisor Fred Lightfoote	
Supervisor Fred Wille	Guests
Karen Springmeier	Scott Davenport, Mountain Rise Organics
	Lynn Freid, WDI
Non-Board Members Present	
Mike Manikowski, Executive Director	
Suzanne Vary, Staff	Contract Staff
Michael Wojcik, CFO	James Coniglio, Underberg & Kessler
Jessica Kazmark, Staff	
Brigitte Larson, Staff	
Bob Mincer, Staff	

CALL TO ORDER: Robert Solenne called the meeting to order at 8:30 a.m. A quorum was present.

NEW BUSINESS:

Mountain Rise Organics:

Suzanne Vary introduced Scott Davenport of Mountain Rise Organics, a company that is currently located in Victor but with OCEDC assistance, would be purchasing a building in East Bloomfield. Scott gave a brief summary of the Company’s history to the Board, stating that it was founded in 1998 in Naples, and moved to Victor in 2016. Scott explained that over the last three years he has acquired three other companies; Schuyler Bakery, Futia’s Famous Dough and Spano’s Bakery. The building in East Bloomfield is around 4000 ft² and will be used as a distribution hub for the Rochester area. This location is where all of the granola would be made as well. Currently the Company has six flavors of their granola available in Wegmans stores. Scott shared that he would like to hire a minimum of three (3) full time employees over the next three years. The Company is asking for OCEDC assistance in the amount of \$174,000 for a term of eight (8) years. It was discussed that the property includes a house, where Scott will reside.

Karen Springmeier made a motion to refer the Mountain Rise Organics loan request to the Finance Committee. Erica Wright seconded the motion. Unanimously approved. Motion carried.

Z-Axis:

Suzanne Vary explained that the Finance Committee met and discussed the Z-Axis request. The Board was given a resolution outlining the terms prepared by the Finance Committee. Michael Wojcik went over the Company's financial projections. It was discussed that Michael Allen has worked with the OCEDC before to acquire the Company and surpassed the FTEs required. *Supervisor Fred Lightfoote made a motion to approve funding the Z-Axis loan as presented by the Finance Committee, to include:*

- *Seven (7) year term (84 months) with the standard interest rate*
- *First year interest-only payments*
- *Retention of 80 FTEs and creation of 25 FTEs*
- *At least 51% of jobs created will be made available to low and moderate income individuals*
- *Fifth security interest on all assets of Z-Axis and related real estate company*
- *Personal guarantee of the sole stockholder, Michael Allen*
- *Life insurance of Michael Allen in the amount of the loan*
- *Limit on shareholder distributions to state and federal tax amounts*
- *Annual year-end reviewed financial statements due within 120 days of FYE*
- *Employment reporting due at the end of January and July each year of the term*

Joe Bridgeford seconded the motion. Unanimously approved. Motion carried.

Workforce Development Institute:

Suzanne Vary introduced Lynn Freid from the Workforce Development Institute to the Board. The Workforce Development Institute is a statewide non-profit and partner to organized labor that works to grow and retain jobs in New York State. Lynn is the Regional Director for 11 counties in the Rochester and Genesee Valley areas and has visited multiple companies and organizations as part of WDI's workforce intelligence gathering. Lynn shared that between June 2016 and June 2018, WDI gathered workforce intelligence in the Rochester and Genesee Valley region by visiting 153 companies and organizations, 125 of which are manufacturers. Lynn also clarified that the funding comes from the Department of Labor and is approved by the Senate.

OLD BUSINESS:

CDBG Update:

Harry Sichernan prepared a report outlining the status of each CDBG project; Real Eats, Pactiv and Z-Axis.

As of May 15th, 2019, Real Eats has provided the office with documentation of 30 new FTEs with the required family income forms, subject to submittal to the OCR by the County. Based on the documentation for the 30 FTEs, \$450,000 of the OCR funds have been drawn and disbursed.

Ontario County's application for a \$450,000 grant for Pactiv, LLC. was approved on July 25th and a contract is in process. The environmental review has been completed and submitted to the OCR. The County will then enter an agreement with the OCEDC, the OCEDC will then grant

the funds to Pactiv, LLC. It was discussed on whether or not the Company has confirmed if the chosen location has been Canandaigua or out of state.

An application was submitted on September 5th by Ontario County for \$375,000 for Z-Axis. Harry should hear about approval status around October 10th. The funds would be provided as a grant to the OCEDC by the County, and subsequently lent to Z-Axis, Inc. As paid back, the repayments would become unrestricted funds of the OCEDC.

ADMINISTRATION:

August 13, 2019 Minutes:

Rob Sollenne presented the August 13, 2019 minutes for approval as presented.

Karen Parkhurst made a motion to approve the August 13, 2019 minutes as presented.

Supervisor Fred Lightfoote seconded the motion. Motion unanimously carried.

Invoices for payment:

Michael Wojcik reviewed and submitted the invoices for payment for approval, which included 5 invoices totaling \$14,634.96.

Karen Springmeier made a motion to approve the invoices for payment. Supervisor Fred

Lightfoote seconded the motion. Motion unanimously carried.

August Financial Statements:

Michael Wojcik presented the August Financial Statements to the Board.

Supervisor Fred Lightfoote made a motion to approve the August Financials, seconded by Erica Wright. Unanimously approved. Motion carried.

ADJOURNMENT:

Karen Springmeier made the motion to adjourn the meeting at 9:28 a.m. Joe Bridgeford seconded the motion. Motion unanimously carried.

Respectfully submitted,

Brigitte Larson, Staff