

**N.F.C. DEVELOPMENT CORP.
1022 MAIN STREET
P.O. BOX 69
NIAGARA FALLS, NEW YORK 14302**

January 8, 2014

TO: The Board of Directors of the NFC Development Corp.
FROM: Paul A. Dyster, Chairman
RE: Notice of Meeting

Please be advised that a meeting of the Board of Directors of NFC Development Corporation will be held at the date and time stated below. It is most important a quorum be present to conduct any business.

DATE: Wednesday, January 15, 2014
TIME: 4:00 P.M.
PLACE: City Hall Committee of the Whole Room
745 Main Street

I have enclosed an agenda and information for your review.

NOTE: Please make every attempt to attend this meeting in order for business to be conducted. This is an important meeting. Please contact Gail Bimont at 286-8802 to let her know whether you will attend. Thank you.

**N.F.C. DEVELOPMENT CORP.
1022 MAIN STREET
P.O. BOX 69
NIAGARA FALLS, NEW YORK 14302**

January 15, 2014

TO: N.F.C. Development Corporation Board

FROM: Paul A. Dyster
Chairman

RE: Agenda for Board Meeting
Date: Wednesday, January 15, 2014
Time: 4:00 P.M.

PLACE: City Hall Committee of the Whole Room

AGENDA

1. Call to Order
2. Roll Call
3. Approval of Minutes of Meeting Held September 23, 2013 **VOTE**
4. Vote to Approve Bonadio & Company, LLP to perform
2013 Audit and ABO Filings **VOTE**
5. Vote to Approve Grant for Outer Beauty Salon & Boutique **VOTE**
6. Third Street Investment Strategy Presentation
7. Vote to Approve Market Rate Rental Rehab Grant for Craig Avery
and John Giusiana at 454 – 460 Third Street **VOTE**
8. Vote to Approve Market Rate Rental Rehab Grant for Paul Stephen
at 228 Ferry Avenue **VOTE**
9. Vote to Approve Grants for Cataract Coffee & Marketplace at
444 Third Street **VOTE**
10. Old Business
11. New Business
12. Adjournment

N.F.C. DEVELOPMENT CORP.
Minutes of Meeting
Monday, September 23, 2013
City Hall – Committee of the Whole Room
Niagara Falls, New York

Present: Mayor Paul Dyster
Council Member Grandinetti
Council Member Walker
Ms. Jacqueline Henwood
Mr. Michael Hooper
Ms. Janet Markarian
Ms. Lucy Muto
Mr. Paul Parise
Mr. Chris Robins
Mr. Frank Roma
Ms. Anne Sawicki

Absent: Council Member Anderson
Council Member Choolokian
Council Member Fruscione
Mr. Joseph Casale
Ms. Doreen O'Connor
Mr. Chris Robins
Ms. Lee Whittaker
Dr. Jacob Smith

Staff Present: Craig Johnson
Richard Zucco
Maria Brown
Gail Bimont
Seth Piccirillo
Joe Collura
Tom Tedesco

Others Present: Ralph Aversa
Craig Avery
Robert Sweet, National Development Council
Tracie Zortman, Hyde Park Cafe
Aaron Besecker, Buffalo News

The meeting was called to order by Chairman Dyster at 4:10 p.m. A quorum was present.

Mr. Parise made a motion to change the order of the agenda to vote Mr. Aversa in as a Member so he could participate in the voting and to move Item #5 ahead of Item #4, second was made by Council Member Grandinetti. **Unanimously approved.**

Agenda Item #10 Vote to Approve New Director to Board, Ralph Aversa.

Mr. Roma made a motion to approve the appointment of Ralph Aversa to the vacant position on the Board of Directors, second was made by Council Member Grandinetti. **Unanimously approved.** Mr. Aversa thanked the Board for the opportunity to serve citing his banking expertise and stated his fiscal soundness will be an asset to the Board.

Agenda Item #3 Approval of Minutes of Meeting held June 27, 2013

Council Member Grandinetti made a motion to approve the minutes of the meeting held June 27, 2013, second was made by Mr. Parise. **Unanimously approved.**

Agenda Item #5 Vote to Approve Guidelines for Market Rate Rental Rehab Program

Mr. Zucco reminded the Board that this program was funded in prior years and the funding was depleted. At the last NFC meeting, the Board authorized monies to fund the program again. The Board now needs to approve the guidelines, which include a higher match than the previous program. Applicants must also participate in the Façade Program. Eligibility requirements will be uniform for all programs.

Council Member Walker stated he felt we were putting too much into the program with a 50/50 match.

Council Member Grandinetti made a motion to approve the guidelines for Market Rate Rental Rehab, second was made by Ms. Muto. **Unanimously approved.**

Agenda Item#4 Vote to Approve Guidelines for Microenterprise Grant Program

Mr. Bob Sweet from the National Development Council addressed the Board and reported on the guidelines for the Microenterprise Grant Program. He reported that the NFC Programs have been amended to include best practices. Also all policies and procedures have been standardized.

Council Member Grandinetti made a motion to approve the Guidelines for the Microenterprise Grant Program, second was made by Ms. Markarian. **Unanimously approved.**

Agenda Item #6 Vote to Approve Guidelines for Loan Program

Mr. Sweet reviewed the Loan Program Guidelines. He noted a few of the changes in the guidelines that were submitted in the Board Package:

3.15 should be 3.5, 5.2 and 6.1 should read \$100,000, and 9.2 should read “the execution and filing of mortgage documents”.

Mr. Parise made a motion to Approve the Guidelines for the Loan Program, second was made by Council Member Grandinetti. **Unanimously approved.**

Agenda Item #7 Vote to Approve Guidelines for Downtown Tourism Program

Mr. Piccirillo reported on the guidelines for the Downtown Tourism Program noting that this is a program for expansion of current downtown business that are larger and that USA Niagara might bring to the City. USA Niagara will evaluate and do credit worthiness and then bring to NFC.

Council Member Grandinette made a motion to approve the Downtown Tourism Program, second was made by Ms. Muto. **Unanimously approved.**

Agenda Item #8 Vote to Approve 2014 NFC Budget

Ms. Brown reviewed the proposed 2014 NFC Budget as presented in the Board Package.

Mr. Robins made a motion to approve the 2014 NFC Budget, second was made by Council Member Grandinetti. **Unanimously approved.**

Agenda Item #9 Vote to Approve ERDCO Subordination

Mr. Zucco reported that NFC previously granted \$200,000 to the project at 451-3rd Street. The bank is now asking us to subordinate that lien to the lien of the loan at 460 – 3rd Street in order for that project to go forward. He noted that the grant is being subordinated, not the lien. Mr. Avery reported that the building will undergo extensive renovations with four upgraded market rate apartments and two retail spaces available for rent.

Mr. Aversa noted that paragraph 4 should read 451, not 450-3rd St. Mr. Robins and Mayor Dyster thanked Mr. Avery for his continued commitment to the City.

Mr. Robins made a motion to Approve the ERDCO Subordination, second was made by Mr. Aversa.

POLLED VOTE

IN FAVOR	11	
ABSTAIN	1	(Ms. Muto)
OPPOSED	0	

MOTION APPROVED

Agenda Item #11 Vote to Approve Extension of Royal Café Loan and Grant

Ms. Zortman reported that she has had serious personal and family issues to deal with over the past year but now she is back on track and her project is moving forward. She asked the Board to approve her request for an extension on her loan and grant.

Ms. Sawicki made a motion to Approve the Extension of Royal Café Loan and Grant, second was made by Ms. Henwood. **Unanimously approved.**

Agenda Item #10 Old Business

None

Agenda Item #11 New Business

Mayor Dyster reported on the ongoing negotiations for the South Jr. School Building. The developer is moving forward with the renovations and the \$5M Restore Grant. NFC may become involved if it will help to facilitate the project. Total cost is over \$20M and we would like to see it move forward. He commended Mr. Upshaw for his commitment and willingness to bring this project to a successful completion.

Agenda Item #12 Adjournment

There being no further business, the meeting was adjourned at 5:13 p.m.

N. F. C. DEVELOPMENT CORP.

January 15, 2014

TO: NFC Board of Directors
FROM: Richard Zucco, General Counsel
RE: Bonadio & Company, LLP for 2013 Audit and ABO Filings

Last year, the board approved hiring Bonadio & Company, LLP to prepare an audit of the Agency and to prepare the reports necessary for the Authorities Budget Office filing for a fee of \$5,500. Bonadio was chosen because they are the City's current auditors, and have also performed the ABO filings for NFURA. Because of that, they are familiar with the Agency, especially since NFC's finances are intertwined with the City's. It is inefficient to have two sets of auditors looking at the same sets of books at the same time.

This year, NFC has filed all required reports and is in compliance with the ABO requirements. However, the filings are an annual requirement, and an audit is required for the filing. Since Bonadio is still the City's auditor, and since they did a great job in bringing NFC into ABO compliance, it makes sense to retain Bonadio to perform these tasks for the coming year.

Will the board of directors approve retaining Bonadio & Company for 2014 to perform the 2013 audit and assist in the ABO filings, at a fee of \$7,500.00?

2013 NOV 18 AM 11:31

November 14, 2013

Board of Directors
NFC Development Corporation
City Hall
745 Main Street, P.O. Box 69 No. 17
Niagara Falls, New York 14302-0069

We are engaged to audit the financial statements of the business-type activities of the N.F.C. Development Corp. (the Corporation), a discretely presented component unit of the City of Niagara Falls, New York, for the year ended December 31, 2013. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you if desired, to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under Auditing Standards Generally Accepted in the United States and Government Auditing Standards

As stated in our engagement letter dated November 14, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Corporation. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Corporation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests is not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

6400 Sheridan Drive, Suite 230
Williamsville, New York 14221
p (716) 633-8885
f (716) 633-9469

ROCHESTER • BUFFALO
ALBANY • SYRACUSE
NYC • PERRY
GENEVA • UTICA

www.bonadio.com

Planned Scope and Timing of the Audit (Continued)

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

This information is intended solely for the use of the Board and management of the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

BONADIO & CO., LLP



By:

Randall R. Shepard, CPA

Proposed NFC grant

for:

Outer Beauty Salon & Boutique

NFC Directors SUMMARY

Date: November 19, 2013

Part I. Project Description

**Part II. Business Description/summary/
Employment projections/ Sources/Uses
of funds/Collateral**

Part III. Loan/grant analysis/Need/

Part IV. Recommendation/Terms and Conditions

NFC Directors Summary

For

Outer Beauty Salon & Boutique

Micro Enterprise Grant/Loan Request

Part I Project Description

Outer Beauty Salon & Boutique, a DBA under Kin Dronic, Inc. is asking the City of Niagara Falls for a grant in the amount of \$10,000. Owner Deanna Kindron has cash equity of approximately \$11,000 used on capital improvements, working capital and inventory to get the business opened. She will be using City assistance to purchase additional equipment and finish leasehold improvements that will be necessary to open her business. This will include hair dryers, salon chairs, two sinks, office furniture for reception area, washer and dryer also leasehold improvements of installing a new front door, new bathroom window and signage. Deanna is currently working in the business controlling appointments and currently has 2 booth renters. She is advertising for up to 3 additional stylists and will create 1 full position in addition to herself.

Part 11 Business Description

Outer Beauty Salon and Boutique is a startup hair salon located at 7406 Buffalo Avenue, Niagara Falls, N. Y. This business will help cosmetologists in the local and surrounding area become small business owners by means of operating their business within a full equipped facility. The booth renters will be responsible for purchasing their own supplies and setting their own hours. Services offered will be hair washing, cuts, styles, hair coloring, facials, manicures and pedicures. Certain retail products will also be offered for sale. Deanna Kindron will own and macro-manage the salon, manage the business operations, finances and marketing initiatives. She will be responsible for ensuring the premises is properly maintained and adequate merchandise/products are readily available. Deanna will also be responsible for ensuring salon booths are rented. Her experience in banking, business and legal documents will ensure the business is financially stable with sound decisions being made. Outer Beauty will strive to provide excellent customer satisfaction. They are dedicated to maintaining affordable prices and will be unique in the type of services that will be offered. The mission of Outer Beauty is to provide services and products that enhances their client's outer physical appearance that in turn improves their inner well being and increases their psychological relaxation and confidence, their motto is "Bringing your inner beauty Out."

Business Summary

Business Summary

Name: Outer Beauty Salon & Boutique Proprietorship-
Years in Operation: 2 months Partnership-No
Start-up? Yes Federal ID #46-3240876
New Ownership? Yes D.B.A. Yes
Address: 7406 Buffalo Avenue
Loan Type NFC Micro Enterprise GRANT for \$10,000

Management/Ownership

Name: Deanna Kindron Position: Owner
Age: _____ Salary: Currently not taking a salary from the business; household income is from husband's salary
Experience: Deanna will be owner and manager of the business although she does not have experience in cosmetology, her experience in banking and business will ensure financial stability of Outer Beauty Salon & boutique. She at one point was an independent contractor of Lia Sophia retailer of jewelry and home décor items.

Employment Projections.

Present: 0 employees, has 2 booth renters
Projected:* 1 Ft within 1-2 years

*SUBMITTED EMPLOYMENT

City of Niagara Falls

Financial Underwriting

Sources/Uses of Funds

Proposed Sources and Uses

Uses of Funds		Sources of Funds	
Acquisition	\$0	Bank	
Renovations	0	NFC Loan	
Machinery & Equipment	7,100	Equity/Cash invested	11,000
Operating Expenses, Inventory, * Leasehold Imp. Office Equipment, Supplies, Etc.	2,900	NFC Grant	10,000
Investment to Date	11,000		
Working Capital			
TOTAL	\$21,000	TOTAL	\$21,000

Recommended Sources and Uses – SAME AS ABOVE

Uses of Funds		Sources of Funds	
Acquisition	\$0	Bank	
Renovations/ leasehold Imp.	2,900	NFC Loan	
Machinery & Equipment	7,100	Equity/Cash	11,000
Operating Expenses		NFC Grant	10,000
Investment to Date	11,000		
Working Capital			
TOTAL	21,000	TOTAL	21,000

Part III. Loan Analysis/Need

This grant is for a Micro Enterprise \$10,000 grant will assist a small existing start-up business

Our financial assistance will help Outer Beauty Salon & boutique purchase equipment and complete leasehold improvements which is needed to fully operate her business

As a relatively new business, traditional funding is very difficult to obtain. This Micro Enterprise grant will be combined with Deanna Kindron's cash equity.

Part IV Recommendation/Terms/Conditions

Staff recommends the approval of this grant with the following conditions:

- 1) A \$10,000 Micro Enterprise Grant**
- 2) One new FTE must be hired over the next 1-2 years.**
- 3) Outer Beauty Salon & Boutique must remain operational for a period of three years or the grant will become due and payable.**
- 4. Must provide staff with all receipts, invoices and or cancelled checks for all purchases made with grant funds**

Third Street Investment Strategy Presentation

Seth Piccirillo, Director – Niagara Falls Community Development

The private sector is showing renewed interest in the Third Street Commercial District, from the corner of Niagara Street through Main Street. Several well known vacant and/or under-utilized buildings have been sold to new owners within the last ten months. Each sale includes plans to renovate the buildings, adding new commercial and residential space to the downtown core. The Niagara Falls Community Development Department's proactive marketing of city incentives, and Empire State Development's (ESD) significant assistance plays a critical role in the shift on Third Street. The purpose of this presentation is to explain how 1/15/14 NFC agenda items, recent Community Development commercial façade rehabilitation grant applications, demolitions and ESD involvement are coming together to help stabilize the commercial district.

N. F. C. DEVELOPMENT CORP.

December 4, 2013

TO: NFC Board of Directors
FROM: Richard Zucco, General Counsel
RE: 454-460 Third Street (159.29-1-52)
Craig Avery and John Giusiana
Rental Rehab Program \$40,000.00 Grant

The recently approved rental rehab guidelines provide a grant of \$10,000.00 per unit for mixed use buildings. The program requires at least a one-to-one match, and requires participation the façade program.

Craig Avery and John Giusiana have completed their purchased of 460 Third Street. They have submitted an application for the façade program to Community Development. The inspections are complete, and the owners have solicited bids for the work. It is anticipated that the renovation of the 4 apartments will cost over \$125,000.00.

Based on the foregoing, this project qualifies for a \$40,000.00 grant.

Will the board of directors approve a \$40,000.00 rental rehabilitation grant for 454-460 Third Street?

Location: the formers Unc's bar
228 Ferry Avenue Corner of Third Street and Ferry Avenue
Niagara Falls New York

Project Summary: The building is currently a former bar and a vacant retail shop on the first floor and two rather large apartments of the upper floor. The project is broken up into three separate sub projects: 1.) facade improvement, 2.) apartments renovations and 3.) Commercial space renovation.

1.) Facade improvement, generally the exterior of 223 Ferry is in good condition. Largest scope work includes the reconstruction of missing second floor window sashes and the stripping and re painting of all second floor windows. Removal of the metal fence that encloses the property will open up the site. The old gas canopy will be enclosed with a glass wall to allow for expansion of the interior commercial area. All exterior brick will be cleaned, as well as store front refurbished and all stucco surfaces will be painted. Missing decorative metal gutter supports will be replaced and all will be painted as well as gutters will be painted and sealed in good working condition. The canvas canopy at the Ferry Avenue side will be removed. Second floor decorative metal including sign mounts and balcony will be cleaned repaired and painted as required.

2.) Apartments renovations: currently the two large apartments are in serviceable but dated condition and at the time of purchase both were occupied. Scope of work in this area are gut rehabilitation of both kitchen sand bathrooms, including all new cabinets counter tops flooring lighting and electrical. Expansion of both bathrooms into a rear enclosed porch area will allow better use of space and update sizes for showers and vanities. Main living and sleeping spaces will received new paint m all hardwood floors will be refinished and new light fixtures will be installed.

3.) Commercial space renovation, interior scope of work for preparation of the space for future rental is limited to, as this time, to minor electrical code compliance work ,general cleaning and care. The spaces have been measured and a preliminary design for an interior renovation has been developed but no work in this area is planned at this time.

Contractor estimates show a project cost of \$41,000. Based on the foregoing, the project should qualify for a grant not to exceed \$20,000.

PROPOSED NFC GRANT

For:

Cataract Coffee & Marketplace

Location: 444 Third Street

**Two Phase Project: (1) Renovation of 444 Third Street
(2) Cataract Coffee & Marketplace**

NFC Directors Summary

DATE: 1/5/14

Part I. Project Description

Part II. Business Description/Summary/Sources & Uses

Part III. Grant Analysis/Need

Part IV. Recommendation/ Terms and Conditions

PART I. Project Description

The new owner of 444 Third Street requests a \$10,000 NFC micro enterprise grant to renovate the building from its current status as the New York State Parole Office to a commercial restaurant and coffee shop. The renovated facility will be home to Cataract Coffee & Marketplace (CC&M). CC&M is requesting a \$10,000 NFC micro enterprise grant for the purchase of specialized restaurant equipment and small business start-up costs.

The owner of 444 Third Street has purchased this building and is investing a significant over-match higher than recent NFC grants brought forward for consideration. Gap financing is still required to bring the project to fruition. As the building is being converted from a parole office space to an eatery, extensive and expensive construction and renovation is needed, including targeted interior demolition, interior renovation, HVAC and plumbing reconfiguration, and the acquisition of new and specialized restaurant equipment.

The partners involved in CC&M are looking to create a deli based restaurant and coffee bar that is the local place to be for lunch hour. They seek to provide a relaxing setting for people to enjoy a good sandwich and atmosphere year-round. CC&M wants to create its product offerings through the use of as much locally sourced ingredients and overall highest quality and healthy ingredients as possible. CC&M wants to create an enticing atmosphere where patrons

can enjoy great food and drink in the comfort of various settings throughout our establishment. With CC&M's broad target market and the sectionalized layout of its building CC&M will be able to draw a wide array of customers and provide them with various seating areas, each with unique feel.

Currently, the downtown Niagara Falls business district is experiencing the beginning of revitalization. Initiated with the creation of Wine on 3rd five year ago, 3rd street in particular has been the target of city and state economic development incentives to develop a sense of place and a desired location for food, drink, and entertainment throughout the day and year round. Currently there are no non-franchised locally owned independent coffee shops. Also a sandwich shop/marketplace does not exist outside of the Culinary School. Cataract Coffee & Marketplace seeks to combine the need for a local independent coffee shop, small market, and deli/sandwich shop.

PART II. Business Description/Summary/Sources & Uses

Currently, in the City of Niagara Falls, there is no locally-owned presence with regard to this type of specialty coffee shop or sandwich shop/market. The goal of Cataract Coffee & Marketplace is to create a business that will bring a much-needed coffee, food, and market experience to the Niagara Falls area. The owners want Niagara Falls to be revitalized and we want to be a direct part of this movement. Cataract Coffee & Marketplace's objective is to provide a comforting place where cultures combine in a setting that is inviting and relaxing.

We are looking to create a deli based restaurant and coffee bar that is the local place to be for lunch hour. Cataract Coffee & Marketplace seeks to provide a relaxing setting for people to enjoy a good sandwich and atmosphere year-round. CC&M wants to create its product offerings through the use of as much locally sourced ingredients and overall highest quality and healthy ingredients as possible. CC&M wants to create an enticing atmosphere where patrons can enjoy great food and drink in the comfort of various settings throughout our establishment. With CC&M's broad target market and the sectionalized layout of its building CC&M will be able to draw a wide array of customers and provide them with various seating areas, each with unique feel.

Currently, the downtown Niagara Falls business district is experiencing the beginning of revitalization. Initiated with the creation of Wine on 3rd five year ago, 3rd street in particular has been the target of city and state economic development incentives to develop a sense of place and a desired location for food, drink, and entertainment throughout the day and year round. Currently there are no non-franchised locally owned independent coffee shops. Also a sandwich shop/marketplace does not exist outside of the Culinary School. Cataract Coffee & Marketplace

seeks to combine the need for a local independent coffee shop, small market, and deli/sandwich shop.

Cash Sources and Uses

Cash Sources

Owner Investment	\$ 80,000
USA Niagara Grant	\$100,000
NFC Development Corp. Grant	\$ 20,000
Loan	\$ 80,000
Total Funding Sources	\$280,000

Cash Uses

Remodeling	\$100,000
Equipment	\$ 86,150
Beginning Inventory	\$ 20,000
Professional Fees	\$ 4,000
Permits/Licenses	\$ 4,000
Advertising	\$ 4,000
Sign	\$ 2,000
Website Development	\$ 2,000
Working Capital	\$ 57,850
Total Funding Requirement	\$280,000

▪ **Business Description**

Cataract Coffee & Marketplace (CC&M) seeks to open its doors to meet a growing need of fast service, independent, food/restaurant locations, particularly during business hours. Currently, the City of Niagara Falls is undergoing a needed influx of public and private capital. USA Niagara, New York State's regional economic development branch and the City of Niagara Falls Economic Development department have focused the energy and resources on the area immediately surrounding the future location of Cataract Coffee & Marketplace. Recently, New York's Governor Cuomo and Niagara Falls' Mayor Dyster have announced a \$40 Million investment to spur economic development in the region immediately surrounding the location of our business,

Cataract Coffee & Marketplace is a newly established, for profit, Limited Liability Corporation (LLC). The business will be located at 444-3rd Street, Niagara Falls, NY 14301. This location is

currently owned by one of the co-owners of CC&M. The initial plan is to offer approximately 12 hours of operation (6am-6pm) in order to reach both the breakfast and lunch crowds.

While CC&M's initial status is as a start-up it believes the risk is mitigated by the following factors:

- owner occupied building for security and predictability of rents
- \$40 Million in proposed economic development incentives for businesses around CC&M. (These future activities will bring people who will want breakfast or lunch.)
- Established businesses in the immediate area that do not seek to compete with CC&M's customers or hours of operation.
- Significant investment on the part of NYS and the City of Niagara Falls.
- Proximity to one of Western New York's most visited tourist attractions during the travel/tourism season of April through September.

Immediate plans are to provide a breakfast and lunch option with a relaxing and inviting coffee house atmosphere that also allows for light marketplace shopping of higher-end food stuffs. Further, CC&M will provide limited selections of beer and wine to both compliment in-house ordered food as well as provide a necessary offering in the marketplace.

Given the marketplace nature of the establishment, CC&M will be providing a blend of purchased food products, roasted coffee, beer, wine, and (where possible) locally made food.

▪ **Management Structure**

Owner/Manager: Joseph Hotchkiss

Joseph Hotchkiss will serve as the daily operator/store manager for CC&M.

Owner/Operations: Kyle Bajor

Kyle Bajor will serve as a substitute for store management when necessary and also take responsibility for the physical plant and operations CC&M.

Owner/Finance & Compliance: Michael F. Lewis

Michael F. Lewis will serve as the Chief Financial Officer responsible for corporate compliance and business/finance/tax related matters.

Operations

Overview: The operations of Cataract Coffee & Marketplace are of the utmost importance as the way in which it operates comprises much of what the customers will experience while at the location. CC&M's focus is customer experience as well as allowing its employees knowledge of exactly what is expected of them in order to create the best atmosphere possible for both.

Staffing: Cataract Coffee & Marketplace will be staffed by at least 3-5 persons at all times. It is necessary to have someone who will be able to craft the ordered meals. There should be someone to greet customers and take their orders. There should also be a staff member to help in any area that could use additional support, for example help filling orders especially during busy hours. It would also be most beneficial to have a staff member managing and serving drinks. When hiring CC&M will not simply look for people with knowledge in food service. Instead the most important qualifications are enthusiasm and trustworthiness. The references of applicants as well as the way in which they conduct themselves during interviews will be weighted heavily in determining their character. It would be best for the cohesiveness and operation of the company if we hire those who are unselfish and team players rather than those who know foodservice but are unwilling to be trained.

Training: All employees must be trained in specific areas of the company's operation before they are able to perform those tasks. Operations can be divided into a few sections: Service, food handling, and food preparation. Employees will be trained in all areas and then placed where they will be most successful. An emphasis will be placed on Customer service as every interaction with a customer is a valuable business opportunity for Wooden Block.

Daily Operations & Production: CC&M's daily routine will include someone opening the location every morning at 5:30 am to meet suppliers, receive deliveries and prep the store for opening. The products received should then be stored in proper places. The restaurant should then be inspected to ensure cleanliness. Everything should be put in the proper place in order to open at 9:00 am. Upon closing everything should be wrapped and stored in accordance with health laws, any old or close to expiration food should be thrown out and the restaurant must be cleaned.

Cleanliness will always be a priority and ensuring everything is kept in proper places and the restaurant looks attractive will always be a part of daily operations. CC&M's goal within its operations will be to maintain a steady routine that provides CC&M with consistency and creates a professional atmosphere and understanding among our employees and our relationship with suppliers and customers.

Customer Service: Keeping customers happy and doing whatever possible to allow them to enjoy their experience is the priority at Cataract Coffee & Marketplace. Customers must be happy both with the way they are treated and with the product they are served or they will not continue to patronize Cataract Coffee & Marketplace. Freshness and quality of product, friendly service, and competitive prices are the tent poles of what our customer service is about.

Suppliers: For the first few years most of CCM's product's ingredients will be bought from local suppliers with the goal of possibly making much of these items ourselves. CC&M will need a source for meats, which will most likely be Boar's Head meats. Produce will be sourced from local growers, such as Coulters Farms with whom we have had preliminary discussions. Bread will be made by a local bakery; most likely DiCamillo's Bakery, who will be able to provide a low cost option that is well recognized in the area for their quality. The Niagara Wine Trail will be a major asset to our business, and local brewers like Flying Bison and Ellicottville Brewing Company offer high quality local options.

PART III. Grant Analysis/Need

The two \$10,000 micro enterprise grants, clearly separate in use and purpose, will assist significant building renovations costs and small business start-up expenses. The City's financial assistance will allow Cataract Coffee & Marketplace purchase equipment and complete renovations that will bring an exciting new business to the Third Street Commercial District and remove parole services from a tourism area. This Micro Enterprise Grant will be combined with the owner's cash equity.

PART IV. Recommendation/Terms/Conditions

Staff recommends the approval of this grant with the following conditions:

- 1) Two \$10,000 NFC Micro Enterprise Grants. 1) Building Owner, Michael Lewis, for building renovation and system upgrades 2) \$10,000 to CC&M for equipment purchase and small business start-up costs. Total: \$20,000.
- 2) Two new FTE must be hired over the next 1-2 years.
- 3) The business must remain operational for a period of three years or the grant will become due and payable.
- 4) Must provide staff with all receipts, invoices, and or cancelled checks for all purchases made with grant funds.