

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

September 16, 2013

**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:** **Monday, September 23, 2013**  
**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 to establish loan and grant guidelines. Please contact Gail Bimont at 286-8802 to let her know whether you will attend. Thank you.**

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P.O. BOX 69  
NIAGARA FALLS, NEW YORK 14302**

September 23, 2013

**TO:** N.F.C. Development Corporation Board

**FROM:** Paul A. Dyster  
Chairman

**RE:** Agenda for Board Meeting  
Date: Monday, September 23, 2013  
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 June 27, 2013 **VOTE**
4. Vote to Approve Guidelines for Microenterprise Grant Program **VOTE**
5. Vote to Approve Guidelines for Market Rate Rental Rehab Program **VOTE**
6. Vote to Approve Guidelines for Loan Program **VOTE**
7. Vote to Approve Guidelines for Downtown Tourism Program **VOTE**
8. Vote to Approve 2014 NFC Budget **VOTE**
9. Vote to Approve ERDCO Subordination **VOTE**
10. Vote to Approve New Director to Board, Ralph Aversa **VOTE**
11. Vote to Approve Extension of Royal Café Loan and Grant **VOTE**
12. Old Business
13. New Business
14. Adjournment

**N.F.C. DEVELOPMENT CORP.**  
**Minutes of Meeting**  
**Thursday, June 27, 2013**  
**City Hall – Committee of the Whole Room**  
**Niagara Falls, New York**

**Present:** Mayor Paul Dyster  
Council Member Anderson  
Council Member Fruscione  
Council Member Grandinetti  
Council Member Walker  
Ms. Jacqueline Henwood  
Mr. Michael Hooper  
Ms. Doreen O'Connor  
Mr. Paul Parise  
Mr. Frank Roma  
Ms. Anne Sawicki  
Ms. Lee Whittaker

**Absent:** Council Member Choolokian  
Mr. Joseph Casale  
Ms. Janet Markarian  
Ms. Lucy Muto  
Mr. Chris Robins  
Dr. Jacob Smith

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

**Others** Mario DeMita, Jr., Mario's Pizza  
**Present:** Stephanie Signorelli, Makeup Palace  
Mary Nadeou, WNY Tents & Awnings  
Robert Ventry, Ventry Pizza and Subs

The meeting was called to order by Chairman Dyster at 4:07 p.m. A quorum was present. The Mayor spoke of the Casino resolution and hopes that with the NFC Board great things can be accomplished. There will be many great opportunities coming and this Board will be responsible for going forward towards development. We will be reviewing internal policies and procedures to be put to best use in the grant/loan programs.

**Agenda Item #3 Approval of Minutes of Meeting held March 25, 2013**

Council Member Grandinetti made a motion to approve the minutes of the meeting held March 25, 2013, second was made by Ms. Sawicki. **Unanimously approved.**

**Agenda Item #4 Vote to Approve \$15,000 Grant for Mario DeMita, Jr. d/b/a Mario's Pizza**

Mr. DeMita gave a brief report on his new business in the downtown area. He is planning to hire seven full time employees and be open year round. He currently has a five year lease with a five year option (buy out).

Council Member Grandinetti made a motion to approve the \$15,000 grant, second was made by Ms. Sawicki. **Unanimously approved.**

**Agenda Item#5 Vote to Approve \$10,000 Grant for Stephanie Signorelli, Makeup Palace**

Stephanie Signorelli addressed the board and told of her business experience. She wants to bring the trends of New York and Los Angeles to Niagara Falls. Her business currently runs out of her home and caters to bridal parties but she is planning on expanding and opening a business in the Como Plaza on Niagara Falls Boulevard.

Council Member Grandinetti made a motion to approve the \$10,000 grant for the Makeup Palace, second was made by Ms. Henwood. **Unanimously approved.**

**Agenda Item #6 Vote to Approve \$10,000 Grant/\$10,000 Loan for Mary Nadeou, WNY Tents & Awnings**

Ms. Dunn introduced Ms. Mary Nadeou and reviewed the grant/loan request. She reported that Ms. Nadeou was given the Lewiston Business of the Year Award. Ms. Nadeou is an Entrepreneurial Class graduate. She would like to use the grant/loan to expand her business and purchase more equipment.

Mr. Parise made a motion to approve the grant/loan for WNY Tents & Awnings, second was made by Ms. O'Connor. **Unanimously approved.**

**Agenda Item #7 Vote to Approve \$10,000 Grant for Robert Ventry's Pizza and Subs**

Mr. Robert Ventry reported that his family purchased the building at the City's in-rem sale in 2012 and rehabilitated the building. He is requesting the grant so that he can expand his business and purchase more equipment. He hopes to hire five or six employees in the near future.

Council Member Fruscione made a motion to approve the \$10,000 grant for Robert Ventry's Pizza and Subs, second was made by Council Member Anderson. **Unanimously approved.**

**Agenda Item #8 Vote to Re-Authorize Rental Rehab Program**

There was a brief discussion about bringing back the successful Market Rate Apartment Rental Rehab Program. The program will be a matching grant program with \$10,000 per unit and a maximum of \$40,000 per building. The owner must maintain title for a period of at least five years and their taxes must be current. The Board is being asked to authorize \$100,000 for this program.

Council Member Grandinetti made a motion to allocate \$100,000 for the Rental Rehab Program, second was made by Ms. Sawicki. **Unanimously approved.**

**Agenda Item #9 Vote to Extend National Development Council through May 31, 2014**

Mr. Collura introduced Mr. Bob Sweet from the National Development Council. Mr. Sweet reported that he is an SBA leader coast to coast and he consults for many IDA's across the country. He provides technical assistance in the economic development field. The Mayor noted that we are short staffed in that department and we need access to the economic development professional expertise that Mr. Sweet offers.

Mr. Parise made a motion to Extend the National Development Council contract, second was made by Dr. Smith.

**POLLED VOTE****IN FAVOR 9****OPPOSED 3 (Council Members Anderson, Fruscione and Grandinetti)****MOTION APPROVED****Agenda Item #10 Old Business**

Mr. Tedesco reported that the New York Main Street Grant from 2007 is now closed out.

**Agenda Item #11 New Business**

None

**Agenda Item #12 Adjournment**

There being no further business, the meeting was adjourned at 4:42 p.m.

**N.F.C. Development Corp. Micro Enterprise Assistance Program Policies and Procedures**  
**Proposed September 23, 2013**  
**Adopted \_\_\_\_\_, 2013**

N.F.C. Development Corp. will consider cash grants up to \$10,000 to qualified micro businesses located in the jurisdictional limits of the City of Niagara Falls, New York. A Micro Business for the purposes of this program has five (5) or fewer full time equivalent (FTE) non-seasonal employees (including the firm's owner(s)). An FTE is either one (1) full time job of at least 40 hours a week, or two (2) part time jobs of at least 20 hours a week each. Program eligibility, requirements, and procedures are outlined below.

Prohibition: On a specific project applicants are restricted to applying to this program or the N.F.C. Development Corp. Loan Program, but not both.

Eligible Businesses: Existing companies in good standing, or start-ups. Businesses must be engaged in manufacturing, warehousing, retail and/or services, with the exception of "sin" businesses such as adult entertainment and media, massage parlors, gambling, and liquor stores.

Ineligible Entities: Not for profits, governmental and quasi-governmental agencies, and any project that has a residential component.

Eligible Applicants: United States Citizens and non US Citizens who are lawfully in the United States as demonstrated by a current Resident Alien Card or Permanent Resident Card.

Ineligible Applicants:

- a) A person who at the time of application is incarcerated, under indictment, on parole, or on probation, or an alien unlawfully in the United States are ineligible to participate in the program. Such a person may not have **10%** or more ownership of an applicant corporation, limited liability company or partnership;
- b) Any person or business at the time of application in default with the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities for an existing loan or grant are ineligible to apply;
- c) Any person or business that is engaged in legal action against the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities is ineligible to apply;
- d) Employees of the NFC and the City of Niagara Falls, N.Y. are ineligible to apply during employment and one year thereafter.
- e) If the applicant, its owners and/or principals are delinquent in the payment of any school taxes, city or county real property taxes, PILOTS, fees, assessments, or other charges due and owing to the City and/or any of its entities, it is ineligible to apply. This ineligibility also applies to any applicant business located at the site of the aforementioned delinquency(s).

Eligible Use of Microenterprise Grant Funds: N.F.C. funds can be used for the acquisition of real property from which the business will operate, renovation or leasehold improvements to said real property, and the purchase of machinery, equipment, furniture, fixtures and equipment and inventory used in the conduct of the business, and situated at the business location.

Ineligible Use of Microenterprise Grant Funds: N.F.C. funds cannot be used to cover working capital costs, rolling stock, or project soft costs such as legal, accounting, environmental, architectural and engineering. However, such project costs are eligible costs that can be paid by the applicant as part of its match requirement (see below).

Match Requirement: The applicant must match the Microenterprise Grant Funds dollar for dollar. For example, a \$10,000 request would have to be matched by \$10,000 in applicant equity. Said match must be unencumbered cash, and not borrowed funds, i.e. credit card advances, home equity loans, and other credit facilities that have to be paid back. Also, the equity match cannot be “sweat” equity.

Job Requirement: Regardless of the size of the Microenterprise Grant, the applicant must retain or create one (1) FTE within three (3) years of receiving the grant. The applicant/owner can qualify as all or a portion of the FTE job created. **Should the applicant fail to retain or create one FTE within three (3) years, the grant must be repaid.**

Other Program Requirements: Prior to the disbursement of grant funds all school, real property, water and sewer taxes must be current at the business location, together with any other real estate in the City owned by the applicant or any individual with an equity interest in the business.

All project costs and applicant funding match must be documented to the satisfaction of the NFC staff prior to the disbursement of grant funds.

The assisted business must remain in business for **at least three (3) years from** the date of receiving the grant. **Should the business cease or be sold within three (3) years the grant must be repaid.**

Individual owners of the business must guarantee compliance with the grant terms for corporate, LP or LLC applicants.

Application and Approval Process: N.F.C. staff qualifies the request based on the eligibility of the business and applicant, and the completeness of the application. If staff concludes that the request is eligible, complete, and is a good investment of Microenterprise funds, they will submit the application to the N.F.C. Loan Committee and Board of Directors for a final decision.

**N.F.C. Development Corp. Mixed-Use Rental Rehabilitation Program  
Guidelines and Procedures  
Proposed September 23, 2013  
Adopted \_\_\_\_\_, 2013**

N.F.C. Development Corp. will consider cash grants up to \$10,000 per unit for up to four residential units per building or property to qualified, for-profit rental units in mixed-use buildings located in the jurisdictional limits of the City of Niagara Falls, New York and in an eligible area established for the Program.

**Eligible Areas:**

- Pine Avenue: Main Street to Hyde Park Boulevard
- Main Street: Ontario Avenue to Third Street
- Niagara Street: Third Street to Hyde Park Boulevard
- East and West Market Streets
- Highland Avenue: Grove Avenue to College Avenue
- Third Street: Main Street to Niagara Street, including the rear alley on the west side of Third Street
- Buffalo Avenue: 56<sup>th</sup> Street to LaSalle Expressway Ramp
- Cayuga Drive: LaSalle Expressway Ramp to South Military Road
- Hyde Park Boulevard: LaSalle Avenue to Linwood Avenue
- Hyde Park Boulevard: Niagara Street to Falls Street

**Ineligible Entities:** Not for profits, governmental and quasi-governmental agencies are not eligible.

**Eligible Applicants:** Individuals who are United States citizens and non US citizens who are lawfully in the United States as demonstrated by a current Resident Alien Card or Permanent Resident Card. Partnerships, limited partnerships, limited liability companies and corporations whose partners, limited partners, LLC members or shareholders are eligible U.S. citizens or eligible non-citizens as set forth above.

**Ineligible Applicants:** A person who is not an eligible applicant or who, at the time of application is incarcerated, under indictment, on parole, or on probation, or an alien unlawfully in the United States is ineligible to participate in the program. Such a person may not have any ownership of an applicant partnership, corporation, limited partnership or limited liability company. At the time of application any person or business in default with the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities for an existing loan or grant is ineligible to apply. Any person or business that is engaged in legal action against N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities is ineligible to apply for funds. Employees of the NFC and the City of Niagara Falls, N.Y. are ineligible to apply during employment and one year thereafter.

**Eligible Use of Grant Funds:** N.F.C. funds can be used for improvements to and appliance upgrades in residential units located in mixed-use buildings. Common area improvements are

eligible to the extent that they benefit the assisted unit. All building code violations must be corrected in any building in which a unit receiving a rental rehabilitation grant is located. Any work in addition to work necessary to correct code violations will be prioritized first to the elimination of health and safety deficiencies, next to make the unit more energy efficient and then to other improvements.

Ineligible Use of Grant Funds: N.F.C. funds cannot be used to cover soft costs. However, such project soft costs are eligible costs that can be paid by the applicant as part of its match requirement (see below).

Match Requirement: The applicant must match the Rental Rehab Grant Funds at least dollar for dollar. For example, a \$10,000 request will be matched by at least \$10,000 in applicant expenditures. Match must be cash. Equity match cannot be “sweat” equity. Applicant will pay costs necessary to comply with program requirements in excess of the \$10,000.00 grant and \$10,000.00 match.

Façade Improvements: Applicant must participate in the City Community Development Façade Grant program if the building has never received a façade grant. If the building has received a façade grant and the façade is well maintained, this requirement will be waived.

Other Program Requirements: Prior to the disbursement of grant funds all school, real property, water and sewer taxes must be current at the business location, together with any other real estate in the City owned by the applicant or any individual with an equity interest in the applicant.

All project costs and applicant funding match must be documented to the satisfaction of the NFC, attorney prior to the disbursement of grant funds.

The assisted units must remain owned by applicant for five (5) years from the date of receiving the grant. Should the property be sold within five (5) years, applicant will repay to NFC a declining balance of the grant for any transfer, with 100% repaid for a sale in year 1, 80% for year 2, 60% for year 3, 40% for year 4 and 20% for year 5. Applicant will provide copy of deed and sign covenant not to transfer, which will be recorded.

Individual owners of the entity owning the property must guarantee compliance with the grant terms for corporate, LP or LLC applicants. Corporate, LP or LLC applicants must be authorized to do business in New York State and in good standing.

Limited Funding: This program has limited funding. Applications will be processed for approval on a first come, first served basis, based upon the date the application is complete.

Application and Approval Process: City Community Development staff will administer the program. The application is received and reviewed for the eligibility of the location and applicant, and the completeness of the application. If staff concludes that the request is eligible and complete, they will submit the application to the N.F.C. Board of Directors for a final decision.

#### Procedural Outline

1. Application is taken by City Staff and eligibility is determined.

2. A building inspection must be performed pursuant to one of the following options:
  - a. City of Niagara Falls Department of Inspections (at no cost to owner)
  - b. A licensed architect or engineer chosen by the building owner (at owner's expense)
3. Where required by code for extensive rehabilitation, applicant must retain a project architect to prepare a preliminary design of proposed improvements.
4. Applicant, architect, if applicable, and City staff meet to discuss proposed improvements and preliminary design.
5. Architect, if applicable, provides a cost estimate and rendering depicting the proposed improvements.
6. Architect, if applicable, prepares construction drawings after rehabilitation plan is approved by owner and City.
7. Owner obtains bids from 3 contractors based on the approved drawings and specs. At this point, the application is deemed complete.
8. N.F.C. board of director approval
9. Applicant signs a grant agreement with N.F.C. Development Corp. that includes a code violation correction clause. Applicant provides copy of deed and signs covenant not to transfer, which is recorded.
10. Work must be performed by contractors licensed to do business in Niagara Falls.
11. Progress inspections and final inspections are conducted by Architect/City inspectors.
12. Grant paid upon completion of all improvements, including correction of all code violations, proof of payment in full to all contractors.

## **N.F.C. Development Corp. Loan Program Policies and Procedures**

### **Section 1 General:**

1.1: The following Loan Program Policies and Procedures (“the Program”) have been approved by the N.F.C. Development Corporation Board of Directors (“the Board”). Any changes or amendments to said Program must be approved by the Board.

1.2: The primary objectives of the Program is to provide funding to business enterprises that retain and/or create jobs, aid in business expansion and attraction, and leverage other sources of capital.

1.3: The Program is a subordinate fixed asset loan program to be used in conjunction with borrower equity and other loan funds.

1.4: On a specific project applicants are restricted to applying to this program or the N.F.C. Development Corp. Micro Enterprise Assistance Program, but not both.

### **Section 2 Eligibility Requirements:**

2.1: Only businesses located in the jurisdictional limits of the City of Niagara Falls, NY (“the City”) are eligible to apply for Program Funds.

2.2: Eligible businesses include those in good standing that are engaged in manufacturing, warehousing, retail and services, **excluding** “sin” businesses such as adult entertainment and media, liquor stores, massage parlors, and gambling activities.

2.3: Applicants must have been in business for at least two full years of operation.

2.4: Eligible applicants include United States citizens and non US Citizens who are lawfully in the United States as demonstrated by a Resident Alien Card or Permanent Resident Card.

2.5: Eligible applicants include sole proprietorships, partnerships, Corporations, Subchapter S Corporations, and Limited Liability Corporations.

2.6: Fixed productive assets purchased with program funds must be physically located in the City.

### **Section 3 Ineligible to Apply:**

3.1: Ineligible applicants include business startups, businesses with less than two years of operations, not for profits, governmental and quasi-governmental entities, lending institutions, the aforementioned sin businesses in **Section 2.1b** in this document.

3.2: If the applicant, its owners and/or principals is in default on any existing loan(s) or grant(s) with the N.F.C. Development Corp. (“the NFC.”), or the City and any of its entities, it is ineligible to apply.

3.3: If the applicant, its owners and/or principals are delinquent in the payment of any school taxes, city and county real property taxes, PILOTS, it is ineligible to apply. This ineligibility also applies to any applicant business located at the site of the aforementioned delinquency(s).

3.4: If the applicant, its owners and/or principals have filed for corporate or personal bankruptcy in the last five (5) years it is ineligible to apply.

3.15 Employees of the NFC and the City of Niagara Falls, N.Y. are ineligible to apply during employment and one year thereafter.

#### **Section 4 Eligible and Ineligible Use of Program Funds:**

4.1: Eligible use of program funds include the acquisition of real property, new construction, renovation or leasehold improvements, and the purchase of machinery, equipment, furniture, fixtures, and equipment.

4.2: Ineligible use of program funds include rolling stock, working capital, refinancing of existing debt, inventory, and project related soft costs such as legal, accounting, environmental, architectural and engineering. However, such costs are eligible project costs that can be paid using other debt and/or applicant equity.

4.13 NFC loan program funds cannot be used in any project that has a residential component.

#### **Section 5 Program Lending Terms and Conditions:**

5.1: Minimum and Maximum Loan Amounts range from \$25,000 to \$250,000.

5.2: Program funds cannot not exceed 40% of the Total Project Cost (TPC). For example, if the TPC is \$105,000, then Program funds could not exceed \$40,000.

5.3: Loan Terms are as follows: No more than twenty (20) years if program funds are used for the acquisition of real property or new construction. No more than ten (10) years if program funds are used for renovation or leasehold improvements of said real property. No more than ten (10) years for machinery and equipment. No more than five (5) years for furniture, fixtures and equipment.

5.4: The loan interest rate is fixed only. There are no variable rates. The rate will be the published Wall Street Journal Prime Rate at the time of closing.

5.5: All program loans will be repaid by equal monthly payments of principal and interest sufficient to fully amortize the loan over its term. There is provision for interest only payments at the beginning of the term. Also, borrowers are allowed to prepay the loan in whole or in part without penalty. However, program loans will not have a balloon payment option.

5.6: Collateral and Security: In exchange for program funds NFC requires a security interest in the assets purchased with its program funds, and any and all additional assets it believes are necessary to secure its loan.

5.7: The NFC may also require a security interest in the personal assets of owners and principals that have a least a 20% ownership of the borrowing entity.

5.8: The NFC requires the personal guarantee of those who own at least 20% of the borrowing entity.

#### **Section 6 Related Parties and Subordination:**

6.1: The applicant is required to provide equity of at least 10% of the TPC. For example, if the TPC is \$105,000, the borrower must provide a minimum of \$10,000 in cash equity. The equity cannot be "sweat equity", nor can it be borrowed funds of any kind such as a home equity loans, or cash advances on credit cards. Also, the equity cannot be a grant from NFC's Micro Enterprise Assistance Program.

6.2: Besides the aforementioned equity component, other sources of project funding include private sources such as banks, trust companies, credit unions, savings and loans. Public sources of funds include federal, state and regional loan programs.

6.3 NFC loan funds can be secured by a first security interest, or be co-equal, pari passu, or subordinate to other project loan funds. However, in all instances, any notes payable to any owner, officer, or principal of the borrowing entity, or the relative of the owner, officer or principal of the borrowing entity will be subordinate to the NFC loan.

#### **Section 7 Program Job Requirements:**

7.1: For every \$50,000 in program funds at least one (1) Full Time Equivalent (FTE) non seasonal job must be retained or created. However, the FTE cannot be the borrower(s).

7.2: A FTE is defined as one (1) full time job of at least 40 hours a week, or two (2) part time jobs of at least 20 hours a week each.

#### **Section 8 The Application Process:**

8.1: NFC staff will entertain loan requests, and determine the eligibility of the business, and its owners and operators, and the appropriateness of the proposed use of loan funds based on **Sections 2, 3 and 4** above. Once eligibility and appropriateness are determined the applicant is required to complete an application, and furnish staff with the applicable support documentation, and any and all information that staff believes necessary to complete its analysis.

8.2: Once staff believes it has all the required information it will complete its analysis and prepare written loan report for the NFC Loan Committee. The staff report will contain a narrative describing the project, and identify the business and its principals. Also, based on company and personal financial information furnished by the applicant, together with credit checks, staff will evaluate the financial strength of the project, the business and its owners, and make a recommendation to the loan committee to either approve, modify or decline the loan request. If staff recommends approval it will suggest a rate, term, payment structure, collateral and a security position for the loan.

8.3: The Loan Committee will meet and discuss staff's loan report and recommendation(s), following which it will make its recommendation to the NFC Board of Directors.

8.4: The Board of Directors will either approve, modify or decline loan requests. In making its decision the board will give serious consideration to the input of NFC staff, the Loan Committee, and NFC's attorney.

8.5: Within ten (10) calendar days of a board approval of a loan agreement specifying the use of loan proceeds, the loan amount, rate, term, payment terms, collateral, security, guarantees and other conditions will be sent to the applicant. Should the loan request be denied a decline letter will be sent to the applicant within ten (10) days specifying the reason(s) for the denial.

### **Section 9 The Closing Process:**

9.1: The NFC attorney in collaboration with NFC staff has the sole responsibility to direct the preparation of all required closing documents based on the loan terms approved by the NFC Board of Directors. Further, the attorney and staff will make certain that the loan closing is in compliance with all applicable federal, state and local laws, regulations and approvals.

9.2: The NFC attorney will be responsible for perfecting all of the NFC's security interests including, where appropriate, the execution of security agreements, the filing of financing statements, the execution and filing of mortgage documents, the execution of guarantees, and any other appropriate actions to adequately protect the NFC's security interests. The borrower will pay all filing and recording fees. The borrower is also responsible for all tax costs in connection with the perfection of NFC's security interest(s).

### **Loan Fund Disbursement Procedures:**

10.1: The disbursement of NFC loan proceeds shall be the sole responsibility of the NFC staff and attorney.

10.2: Funds shall be disbursed only if the borrower is in compliance with the terms and conditions of the NFC loan agreement(s), and is deemed ineligible under any of the conditions set forth in **Sections 3, 4 and 5** in this document.

10.3: Should other debt and/or equity be part of the total project funding, said debt and/or equity must be evidenced by documentation such as executed commitment letters, bank statements and escrow accounts.

10.4: NFC loan proceeds may be disbursed in one lump sum or over a number of separate draws. However, regardless of the method of drawdown, the borrower is required to submit documentation (voucher, receipts, and cancelled checks) evidencing paid or accrued project expenses.

### **Loan Portfolio Management Procedures:**

11.1: In the case of delinquent loan payments the borrower will be contacted by NFC staff five (5) calendar days after the first day the payment is delinquent to assist in curing the situation. However, if the delinquency continues ninety (90) days past the first day the payment is delinquent the matter will be referred to the NFC attorney.

11.2: Any requests by the borrower to amend or adjust any terms and conditions of the loan will be first reviewed by the NFC staff and attorney to determine if it merits consideration. If so, said request will be processed as follows:

11.3: Staff will prepare a written narrative of the request replete with any support documentation, and its recommended course of action to the NFC Loan Committee for its consideration. Should the loan committee concur with staff's recommendation it will send the request onto the NFC Board for its review and final decision.

11.4: The board's decision will be sent to the borrower in writing within ten (10) calendar days regardless if it is denied, approved with modifications, or approved as requested. In the case of approvals, any costs associated with modifications of the loan agreements and security agreements will be paid by the borrower.

**N.F.C. Development Corp. Downtown Tourism Loans and Grants**  
**Proposed September 23, 2013**  
**Adopted \_\_\_\_\_, 2013**

From time to time, NFC may approve downtown tourism loans and grants within the U.S.A. Niagara Development Corporation (USAN) jurisdictional area as may be referred to it for participation by USAN. The creditworthiness of the project shall have been reviewed by USAN and USAN must also provide a loan or grant for the project. The terms of any loan or grant provided by NFC shall be upon terms approved by NFC.

**NFC DEVELOPMENT CORPORATION**  
**Administrative Budget**  
**2014-2013**  
**REVENUES**

Account	Description	2014		2013		Net Increase/(Decrease)
		Proposed		Proposed		
NFC.0000.0985.000	Interest Income-Casino Loans (Tribal Funds)	\$ 7,000.00		\$ 7,000.00		\$ -
NFC.0000.0985.001	Interest Income-Money Market/CD	150.00		150.00		-
NFC.0000.0985.002	Interest Income-Checking Account	-		-		-
NFC.0000.0985.003	Interest Income-HSBC Money mkt	4,000.00		4,000.00		-
NFC.0000.0985.004	Administration fees (1.0MM * 1%)	5,000.00		5,000.00		-
NFC.0000.0985.005	Credit report fees (10@\$25)	50.00		50.00		-
NFC.0000.0985.006	Casino Funds - Trf from City of NF	94,455.00		-		94,455.00
NFC.0000.4999.000	Undesignated Fund Balance for 2013	-		15,240.00		(15,240.00)
	<b>Total Revenues</b>	<b>\$ 110,655.00</b>		<b>\$ 31,440.00</b>		<b>\$ 79,215.00</b>

**EXPENSES**

Account	Description	2014		2013		Net Increase/(decrease)
		Proposed		Proposed		
NFC.1315.0001.0130.000	Temporary Personnel	\$ 11,000.00		\$ 11,000.00		\$ -
NFC.1315.0001.0411.000	Office Supplies	600.00		608.00		(8.00)
NFC.1315.0001.0419.599	Undesignated Supplies	200.00		200.00		-
NFC.1315.0001.0433.000	Insurance (city allocation)	540.00		500.00		40.00
NFC.1315.0001.0446.008	Software License	20.00		-		20.00
NFC.1315.0001.0449.597	Mgmt fees-Credit Bureau (10@\$25)	250.00		250.00		-
NFC.1315.0001.0449.599	NYS Dpt Taxation/Finance (990 Fee & Ch500)	535.00		110.00		425.00
NFC.1315.0001.0451.000	Computer Software Min & National Econ. Dev	81,728.00		5,300.00		76,428.00
NFC.1315.0001.0451.007	Payroll Tax Service	1,400.00		1,400.00		-
NFC.1315.0001.0454.000	Attorney Services	-		400.00		(400.00)
NFC.1315.0001.0459.000	Independent Auditor's Fee	10,000.00		7,500.00		2,500.00
NFC.1315.0001.0461.000	Postage	450.00		450.00		-
NFC.1315.0001.0463.000	Travel Expense	500.00		500.00		-
NFC.1315.0001.0464.000	Local Meetings & Mileage Reimbursement	800.00		800.00		-
NFC.1315.0001.0466.000	Books/magazines	300.00		200.00		100.00
NFC.1315.0001.0467.000	Advertising/Marketing	800.00		800.00		-
NFC.1315.0001.0820.000	Worker's Compensation	400.00		-		400.00
NFC.1315.0001.0840.000	Unemployment	290.00		580.00		(290.00)
NFC.1315.0001.0810.000	FICA	842.00		842.00		-
	<b>Total Expenses</b>	<b>\$ 110,655.00</b>		<b>\$ 31,440.00</b>		<b>\$ 79,215.00</b>

Difference Revenues less expenses

\$ - \$ - \$ - \$ -

Notes to budget:

- 1) Temporary Expense line includes costs for Secretary, Clerk, Controller and Attorney services to NFC.
- 2) Meetings includes NFC member lunch meeting for average of 20 people.

**N.F.C. DEVELOPMENT CORP.**

September 23, 2013

**TO:** NFC Board of Directors  
**FROM:** Richard Zucco, N.F.C. General Counsel *RZ*  
**RE:** ERDCO Subordination

In 2010, NFC approved a \$200,000.00 grant to ERDCO Development, LLC for the renovation costs associated with 8 apartments and 4 storefronts at 451 Third Street. The grant must be repaid if the property is sold before December 31, 2013. The grant is secured by a first mortgage on the real estate.

ERDCO is in the process of borrowing funds for additional projects, including 460 Third Street. ERDCO has requested that NFC subordinate to M&T Bank lending of up to \$340,000.00. The property is currently assessed for \$399,600.00. The pre-rehab sale price in 2004 was \$400,000.00. The subordination request is supported due to the desire to support continued development on Third Street.

Will the directors vote to approve the subordination of the NFC mortgage on 450 Third Street to M&T Bank lending up to \$340,000.00 and authorize the execution of any documents necessary to effectuate the same?

## **N.F.C. DEVELOPMENT CORP.**

September 23, 2013

**TO:** NFC Board of Directors  
**FROM:** Paul A. Dyster, President and Chairman  
**RE:** New Director Ralph Aversa

According to Article IV, Section 1 of the by-laws:

The Corporation shall be managed by a Board of Directors which shall consist of the Mayor, City Council and members of the Niagara Falls Urban Renewal Agency, one representative of labor, one representative of the banking community, one representative of the minority community, one representative of Niagara Falls industry, and five representatives of the community at large.

According to Article IV, Section 4 of the by-laws:

(V)acancies occurring in the Board ... may be filled by a vote of a majority of the Directors then in office, although less than a quorum exists... A Director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his predecessor.

Jamie Johnson, who held the banking community position on the board, has been relocated and has resigned. I am recommending Ralph F. Aversa as a director to fill Mr. Johnson's place. Mr. Aversa's resume is attached for your review, although I am sure most of you are familiar with Ralph record of accomplishments in public service and in the banking community.

Will the board of directors vote to elect Ralph F. Aversa as a director of N.F.C Development Corp.?

**Ralph Aversa**  
851 College Terrace  
Niagara Falls, NY 14305  
(716) 417-7341 (Cell)

### **WORK EXPERIENCE**

May 2008-Present: KeyBank Mortgage. Same as previous position January 2000-February 2004.

March 2004 - April, 2008: Department of Economic Development - City of Niagara Falls, NY. **Executive Director** of the NFC Development Corp. and Senior Business Development Officer for the Niagara Falls Urban Renewal Agency.

Responsible for Economic Development Projects in the City of Niagara Falls, NY including management and administration of the following:

- Administration, management and monitoring of all Community Development City Wide (CDBG) and NFC Development Corp. loan programs, and MBE/WMBE/ Grant/Loan Programs during record activity period.
- All commercial loan marketing, processing, underwriting and packaging of loans.
- The managing of a commercial loan portfolio in excess of \$1.1 Million and all collections that are necessary. *Lowered the delinquency rate from 8% to 1.05%, replacing 80% of the loan portfolio.*
- The Development and Administration of three new programs using funds from the city's share of the Seneca Niagara Casino Slot Revenues to meet the needs of the community. These included the Market-Rate Apartment Rehabilitation Program and the Significant Impact Grant Programs for both Small Businesses and Industry.
- Lobbying efforts to secure the necessary funds from the Empire State Development Corp. (ESD) through Senator Antoine Thompson (D-Buffalo) and negotiations with the Small Business Development Center at Niagara County Community College. This effort has led to the establishment of the city's first Entrepreneurial Business School.

- Responsible for the administration and management of both the cities Empire Zone Program as well as its Federal Renewal Community program. *Secured approximately \$6.5 Million of Community Revitalization Deductions for eligible businesses and property owners.*
- Managing of all assets taken back by foreclosure and preparing them for resale in a timely manner. Negotiation of sales prices with the assistance of the NFC attorney prior to submission to the Board for their final approval.
- Meet with local developers as well those out of the area to discuss projects for the city.
- Member of the Niagara County Economic Development Fund (NEDF) Board of Directors.

January 2000-February 2004 - KeyBank Mortgage Services: **Senior Relationship Manager, Banking Officer**, Northeast Region under the supervision of Donald Tom, Vice President.

Responsibilities include:

- CRA Mortgage Originations for all of Niagara County, the City of Olean and the City of Buffalo. Also included were 10 KeyBank Branches and 8 Not-For-Profits
- Instructed HOMEBUYER seminars in conjunction with in-house programs (CRA) at the Center City Neighborhood Development Corp. in Niagara Falls and the Ken-Bailey NHS in Buffalo.
- Additional duties included Realtor Education concerning various programs available to buyers in CRA designated areas.

Awards and Achievements

- 2000: Ambassador Club. Most Improved Loan Officer, North/East Region of New York, Maine, Vermont and New Hampshire. Year 2000
- 2001: Rated No. 1 Loan Officer nationally attaining a 4.88 approval rating out of a possible 5.00. Lowest fallout rate in North/East Region. Named to the Presidents Club.
- Production: Exceeded Company Goals by 37% for fiscal 2001 for closed loans.
- Finished 10<sup>th</sup> nationally and 2<sup>nd</sup> in the North/East Region,
- Promoted to Senior Relationship Manager and Banking Officer.
- 2002-2004: Finished consistently in the Top 10 Nationally for overall production and top 3 in overall customer service ratings.

January 1986 - Present - Aversa Appraisal & Property Management.

- Acting as a Bonded Receiver for the New York State Supreme Court managing several properties as assigned by the Court.

- Re-negotiated long term leases with a value totaling \$1.6 Million.
- Manage both small (4-units) and large (32-Unit) residential apartment complexes
- Appraised over 5000 properties for mortgage, corporate relocation, eminent domain and other purposes over the past 20 years including the first appraisals for the former Love Canal Area

January 1998- January 2000 - Director, Department of Water Facilities - City of Niagara Falls NY.

Responsible for the overall operation of the Department of Water Facilities, which included the following:

- Supervision of a staff of 56 Unionized Workers
- Development and implementation of an annual budget of \$12 Million Dollars.
- Supervision of the total operation of the new \$60 Million Dollar Michael C. O'Laughlin Municipal Water Plant.
- Complete responsibility for the maintenance, repair and replacement of 250 miles of sub-surface infrastructure, 2500 Fire Hydrants and 5000 working valves throughout the City of Niagara Falls.

Major accomplishments include:

- Implementation of the first ever City-County chemical purchasing program, saved the City over \$80,000 its first year.
- Structuring and ultimately implementing the first leak study project in recent years. Over 200 underground leaks were identified and repaired in 1999 saving an estimated 1,200,000 gallons of product daily.
- Working closely with staff and put into operation the first overall preventive maintenance schedule for the new water treatment facility.
- The first 'FREEZE-DRY' sludge disposal study in conjunction with the University of Buffalo School of Engineering and the State of New York. This will produce yearly savings of \$250,000.
- Management of the first ever water 'SLIP-LINING' project.

April 1993-March 31, 1997 - KeyCorp Mortgage, Inc. - Corporate Appraiser, Western New York.

Responsible for all appraisal operations at the Buffalo Processing Center including:

- Personal production of over 600 appraisals yearly.
- Appraisal review for outside vendors when required.
- Maintaining compliance with all FNMA standards.

- Gave appraisal courses on an as needed basis to various Key Branches in Erie, Allegheny and Chautauqua Counties.
- On an as needed basis assisted with overall appraisal problems with vendors throughout the State and in some instances other areas of the Country.
- Coordinating efforts with the closing department to ensure timely closings of all loans when either repair or construction draw inspections were needed.

**Additional Qualifications and Experience:**

- Councilman-at-Large, City of Niagara Falls, 1988-89 & 1993-97.
- Chief Fiscal Officer - Niagara Falls Urban Renewal Agency, 1988-89 & 1993-97.
- Secretary - NFC Development Corporation, 1998-89 & 1993-1997.
- Loan Committee Member - NFC Development Corporation
- Niagara County IDA - Revolving Loan Committee Member 1988-89.
- City of Buffalo NY, West Side NHS, Loan Committee Member since 2001.
- Niagara County Builders Association, President 1985-86
- Niagara County Builders Association - Home Show Chair, 1980.
- Knights of Columbus, 4<sup>th</sup> Degree Member, Niagara Council #247.
- Extensive real estate sales and marketing experience having worked 4 years for the former Girasole Real Estate Firm and 6 years for Stefik Realty Co.
- Mt. St. Mary's Hospital: Board of Associates
- Niagara County: Workforce Investment Board. Appointed by the Niagara County Legislature

***EDUCATION***

- Attended Erie Community College and Niagara University
- (various courses)
- University at Buffalo (American Institute of Real Estate Appraisers)
- Canisius College (1975) State required courses for Insurance Brokers License.
- The Cusack School of Western NY. 1991, 1993, 1995, 1998, 2000.

**State Licenses:**

New York State Real Estate Salesperson since 1974

New York State Real Estate Appraiser since 1992

*NOTE: Both licenses are presently inactive.*

***REFERENCES***

Attached:

References:

**City of Niagara Falls, NY**  
Office of the City Controller  
Maria Brown, CPA, City Controller  
745–Main Street, 2<sup>nd</sup> Floor  
Niagara Falls, NY 14302–0069  
Phone: (716) 286–4339  
Email: [maria.brown@niagarafallsny.gov](mailto:maria.brown@niagarafallsny.gov)

KeyBank, N.A.  
Sharon Highfield, Assistant Vice President & Branch Manager  
The Dent–Niagara Building  
800 Main Street, 1<sup>st</sup> Floor  
Niagara Falls, NY 14301  
Phone: (716) 288–8880  
Email: [Shighfield@kisinvest.com](mailto:Shighfield@kisinvest.com)

**N.F.C. DEVELOPMENT CORP.**

September 23, 2013

**TO:** NFC Board of Directors  
**FROM:** Richard Zucco, N.F.C. General Counsel  
**RE:** Royal Café Extension

On July 16, 2012, NFC approved a \$10,000.00 grant and \$30,000.00 loan to Niagara Rapid Enterprise, Inc/, d/b/a Royal Café for for the renovation costs associated with a restaurant at 311 Hyde Park Blvd. The grant and loan agreement required completion of the project by June 30, 2013.

The project was delayed. Attached is a letter from Tracie Zortman, the principal of the corporation, explaining the reasons for the delay. If extended, the loan and grant conditions will require the creation of two jobs within 3 years of completion and will be repayable upon a sale or suspension of business within 3 years of completion.

Will the directors vote to approve the extension of the NFC grant and loan for the Royal Café project for one year, with a September 30, 2014 completion date, and authorize the execution of any documents necessary to effectuate the same?

9/11/2016

Dear Tom Tedesco,

Per our phone conversation, I am still interested in the loan/grant provided by the City of Niagara Falls for the completion of my project @ 311 Hyde Park Blvd. I had not proceeded with the project due to the fact that I had to take care of my husband after sudden open heart surgery and now is doing well, and of my ill father who unfortunately passed away a few months ago. I have now resumed this project with my own funds and am looking forward to working with the City to make this establishment a great success! Thank you for your patience.

Sincerely,

Tracie Zortman