



ECONOMIC DEVELOPMENT CORPORATION

FINANCE COMMITTEE

Meeting Minutes

**Friday, October 5, 2018 – 8:00 a.m.
20 Ontario St., Canandaigua, NY 14424
Office of Economic Development’s Conference Room**

Board Members Present	Staff/Others Present
Karen Parkhurst, Chair	Michael Wojcik, CFO
Rob Sollenne, Vice Chair	Mike Manikowski, Executive Director
Walt Matyjas	Sue Vary, Economic Development Specialist
Board Members Excused	Brigitte Larson, Staff

Call to Order: Chairperson Parkhurst called the meeting to order at 7:59 am. A quorum was present.

GENERAL BUSINESS:

Approval of September 7, 2018 Minutes: *Walt Matyjas made a motion to approve the minutes of the September 7, 2018 meeting as presented, seconded by Rob Sollenne. Unanimously approved.*

Real Eats America, Inc.:

Mike Manikowski stated that the Real Eats request is an ongoing process and explained that at last night’s Ontario County Board of Supervisors meeting, the resolution to hold a public hearing relative to an OCR grant application was approved. The public hearing will be held at the next Board of Supervisors meeting. Mike also said that the State is offering a \$500,000 grant along with a substantial number of tax credits. It’s also been asked that Empire State Development Corporation and Homes and Community Renewal to also come on board with the remaining funds. The first project with Real Eats will be a \$200,000 loan as part of a \$2.8 million project that will be used to renovate the building and cover necessary equipment purchases. Michael Wojcik went over the credit evaluation and explained that Real Eats collects its own weekly data analysis and are very aggressive with expenses. The data collected shows direct correlation between advertising and website activity, resulting in consistent orders. Michael explained that Real Eats typically spends up to \$3500 a day on digital advertising. It was discussed on how the website is a simple design and extremely user friendly and also that the customer service is great as well. Karen Parkhurst commented on how a considerable amount of the senior community could use this type of meal service. Michael stated that he will be reviewing the Company’s new model and see where they could potentially save money. One way may be to reduce the number of employees within a certain role of the Company and salaries. Michael also confirmed that the Company recognizes that they may reach a point of saturation with digital advertising, and may eventually branch into television ads and mailings as a marketing endeavor. At this point the Company will have collected a vast amount of demographic data. Real Eats is exploring the idea of working with a celebrity chef to collaborate meals. Future business opportunities were discussed, with the idea of MREs or possibly distributing to senior living facilities; however, price may need to be tailored if the

Company ever decided to branch out to these prospects. If approved by the Board, the funds would not be available right away, but about three months. Real Eats is presenting to Excell Partners in Rochester early next week, Michael and Sue will be in attendance. There is a three phase approach to this project. The first and current phase will be about \$1.9 million; the second phase will be around \$4.5 million with 100% going into the current facility, which will include automation equipment; and phase three will be around \$30 million to create locations on the West Coast and in the South. Mike Manikowski commented on how the Company will have to create jobs in order to receive the State offer and tax credits, and how the Company is also working with a variety of sources, including Excell Partners and Upstate Capital. The Geneva IDA currently owns the facility that Real Eats operates out of and it will be determined whether City of Geneva IDA will put in the necessary improvements or if Dan Wise will be responsible for these improvements as a leaseholder, or the Company would buy the facility. Dan Wise currently owns the majority of Real Eats. It was stated again that this is an ongoing project, and there are many aspects to work out, as all improvements will need to be done while the business is also operating. The funding from Geneva is contingent on receiving approval at the Board of Supervisors meeting to apply for the HCR Grant from the State.

Rob Sollenne made a motion to approve presenting the Real Eats loan request to the Board contingent on:

- *Loan subject to Ontario County's Board of Supervisors approval of the \$750,000 grant to the OCEDC to be funded by the New York State Office of Community Renewal (OCR) to assist in the financing of the project.*
- *Loan subject to securing seed capital in the amount of \$3,500,000.*
- *\$200,000 of the loan will be from the OCEDC's unrestricted general fund balance.*
- *Five year (60 months) with interest at 0.75% of the Prime Rate as published in the Wall Street Journal at the time of closing.*
- *Shared second position security interest with Geneva in all assets of the Company behind future developed banking relationships.*
- *Personal guaranty of Dan Wise.*
- *Life insurance in the aggregate for the loan amount of \$200,000 on Dan Wise.*

Walt Matyjas seconded the motion. Unanimously approved. Motion carried.

2019-2022 Budget:

Michael Wojcik presented the 2019-2022 budgets for the OCEDC. This is due to be posted on the website by the end of the month. The OCEDC is currently budgeted for 3 applications per year totaling \$1200. It was suggested to increase the budgeted amount for workforce development from \$40,000 to \$50,000.

Rob Sollenne motioned to recommend the budgets to the Board for approval as amended. Walt Matyjas seconded the motion. Unanimously approved. Motion carried.

Adjournment: *Walt Matyjas moved to adjourn at 9:12 am, seconded by Rob Sollenne. Unanimously approved.*

Respectfully submitted,

Brigitte Larson