



## BOARD OF DIRECTORS MEETING

November 6, 2019

2:00 PM

NFE 2107

### AGENDA

1. Call to order
2. Approval of Minutes of September 12, 2019 Meeting
3. Finance Committee
  - Resolution No. 161 – Authorization for President to execute real estate transaction
  - Food Service Agreement
  - Lease Amendment – LAM Research Corporation
4. New Business
5. Public Comment
6. Next Board of Directors meeting: TBD
7. Adjournment



**Fuller Road Management Corporation  
Meeting of the Board of Directors  
September 12, 2019 – CNSE Nano Fab East Conference Room 2107**

Minutes

Directors present: Michael Frame (by video), Robert Samson, Michael Breslin, Kristin Proud, Kenneth Tompkins, and Franklin Hecht.

Staff: Douglas Grose – President, Scott Bateman – Acting Treasurer, Cheryl Casey-Rose, and Patricia Bucklin.

Guests: Emily Kunchala – RF SUNY.

1. Call to order: Vice Chair Proud called the meeting of the Board of Directors of Fuller Road Management Corporation (FRMC) to order at 3:32 PM. Vice Chair Proud welcomed Emily Kunchala of the Research Foundation. The Directors were asked if they had any potential conflict of interest with respect to items on today's agenda, and if so, to disclose it.

- There were no conflicts of interest.

2. Approval of June 24, 2019 meeting minutes.  
Vice Chair Proud asked for a motion to approve the minutes as presented.  
Motion: Kenneth Tompkins  
Second: Franklin Hecht

Ayes: 6, Nays: 0, Abstentions: 0.

There was no discussion and the minutes were unanimously approved as presented.

3. Audit Committee – Kristin Proud
  - Engagement of Auditor

Vice Chair Proud asked for a motion to approve the engagement of an auditor to audit FRMC's financial statements and review its tax filings.

Motion: Michael Breslin  
Second: Robert Samson

Section 5 of Article VII of FRMC's Bylaws provides that "[t]he financial records and accounts of the Corporation shall be audited annually, or at such other times as directed

by the Board of Directors, by a certified public accounting firm designated for the purpose by the Board of Directors.”

FRMC seeks authorization to engage KPMG to audit its financial statements and review its tax filings for the year ending June 30, 2019. The tax filings include IRS Form 990 and NY CHAR 500.

KPMG has performed the FRMC audit and reviewed its tax filings for over 10 years. Given KPMG’s work on and familiarity with FRMC’s finances and tax filings, which cover the same time period, KPMG has the unique knowledge and ability to perform the needed review in a thorough and expeditious manner. Accordingly, FRMC seeks to engage KPMG based on a single source justification to conduct its audit and review its tax filings for the year ending June 30, 2019. There is no increase in cost from the prior year in the base fee for the audit or the fee for review of the tax filings.

The Audit Committee approved a resolution (1) approving the engagement of KPMG to audit FRMC’s financial statements and review its tax filings for the year ending June 30, 2019, (2) authorizing the President and/or Acting Treasurer to take any and all actions necessary and appropriate to effectuate such action, and (3) recommending that the Board approve the foregoing actions.

Requested Action:

Adopt a resolution approving the engagement of KPMG to audit FRMC’s financial statements and review its tax filings for the year ending June 30, 2019 and authorizing the President and/or Acting Treasurer to take any and all actions necessary and appropriate to effectuate such action.

Discussion: Franklin Hecht recommended that an RFP process for an auditor be conducted before the next audit.

Vote:

Ayes: 6, Nays: 0, Abstentions: 0.

#### 4. Finance Committee– Kristin Proud

- Resolution No. 160 – FRMC Annual Plan

Vice Chair Proud asked for a motion to adopt Resolution No.160 approving the Annual Plan.

Motion: Kenneth Tompkins

Second: Michael Breslin

The Bylaws of the Corporation, provide that there shall be submitted to the Board by the President, for its approval, an Annual Plan which shall set forth all anticipated revenues and expenditures and indicate (a) the current fiscal year, showing approved expenditure

levels (including approved changes) and estimated income and expenditures through the end of each period; (b) the prior fiscal year, showing actual income and expenditures for such period; and (c) the next ensuing fiscal year showing estimated income and proposed expenditures for each.

The 2019-20 Annual Plan was submitted to the Finance Committee of the Corporation upon the recommendation of management and Finance staff and, upon a motion duly made, was approved by the Finance Committee with a recommendation that it be approved by the Board of Directors.

Requested Action:

Adopt Resolution No. 160 approving the Annual Plan.

Discussion: None.

Vote:

Ayes: 6, Nays: 0, Abstentions: 0.

- Amendment to Food Service Agreement

Vice Chair Proud asked for a motion to consider an amendment to the food services agreement with Compass Group USA, Inc. (“Chartwells”).

Motion: Robert Samson

Second: Michael Breslin

FRMC and Chartwells entered into an agreement on May 1, 2014 pursuant to which Chartwells had the exclusive right to provide food and catering services on the Albany Nanotech Campus (with some limited exceptions) for a base period of five years, expiring on April 30, 2019, with annual renewal options thereafter upon written agreement of the parties. In September 2018, the Board approved an amendment to the agreement with modifications that included an extension of the contract through June 30, 2019 to avoid any sudden corresponding interruption to the food services provided to the campus population.

FRMC issued an RFP for a food and catering services vendor in May and, to allow time for review of the responses and subsequent contract negotiation, the Board approved an extension of Chartwells’ services for an additional two months beyond the current expiration through August 31, 2019 with operations limited to one café, and with FRMC compensating Chartwells for actual losses incurred during the additional two month period. This ensured that tenants, employees and visitors would have access to food services during the summer months.

In August, FRMC issued a new RFP with broader food service options and to ensure time for selection of a new provider and contract negotiation, FRMC seeks to extend the contract for an additional month through September 30, 2019 with FRMC compensating

Chartwells for actual losses as agreed to in the previous extension. Due to the need to finalize these arrangements with Chartwells before September, the Finance Committee approved extending the contract with Chartwells under these terms.

At its subsequent meeting on September 9, 2019, the Finance Committee approved a resolution (1) recommending that the Board approve the extension of the Chartwells contract under these terms, (2) authorizing the President and/or Acting Treasurer to enter into a contract with Chartwells on the terms described above, and to negotiate and enter into a contract with the successful bidder on the new RFP for food services subject to ratification by the Board at its next meeting, (3) authorizing the President and/or Acting Treasurer to take any and all actions necessary and appropriate to effectuate such actions, and (4) ratifying any and all actions previously taken with respect to the extension of the Chartwells contract.

Requested Action:

Adopt a resolution (1) approving the extension of the Chartwells contract under these terms, (2) authorizing the President and/or Acting Treasurer to enter into a contract with Chartwells on the terms described above, and to negotiate and enter into a contract with the successful bidder on the new RFP for food services subject to ratification by the Board at its next meeting, (3) authorizing the President and/or Acting Treasurer to take any and all actions necessary and appropriate to effectuate such actions, and (4) ratifying any and all actions previously taken with respect to the extension of the Chartwells contract.

Discussion: None.

Vote:

Ayes: 6, Nays: 0, Abstentions: 0.

- Lease Amendment – SEFCU

Vice Chair Proud asked for a motion to consider amendment to the lease with SEFCU.

Motion: Kenneth Tompkins

Second: Michael Breslin

SEFCU currently leases 1165 square feet on the first floor of the NanoFab East Building for a credit union branch office. Upon the expiration of its lease on October 11, 2019, SEFCU seeks to reduce its space to 198 square feet to accommodate a transition from a branch office to video terminals.

SEFCU seeks a 10 year lease of the space with an option to renew for an additional five years. SEFCU will pay \$44.06 per square foot, which is a 3% escalation over last year's rent, and rent will escalate 3% each year on the anniversary date. The rent includes utilities and operating expenses and SEFCU will pay for fit-up of the space.

The proposed lease represents a small fraction of the total building; therefor an appraisal of the fair market value of the asset is not practical. Staff has determined that lease meets fair market value based on other existing leases on the Albany Nanotech Campus.

The FRMC Finance Committee approved a resolution authorizing approval of a lease amendment with SEFCU under the terms described above and authorizing the President and the Acting Treasurer, each of them without the other, to take such actions, including without limitation to approve, sign, acknowledge and deliver the amendment in such form as either of them may deem appropriate, as are necessary to effectuate the resolution; and recommending that the Board approve the same action.

Requested Action:

Adopt a resolution authorizing approval of a lease amendment with SEFCU under the terms described above and authorizing the President and the Acting Treasurer, each of them without the other, to take such actions, including without limitation to approve, sign, acknowledge and deliver the lease amendment in such form as either of them may deem appropriate, as are necessary to effectuate the resolution.

Discussion: None.

Vote:

Ayes: 6, Nays: 0, Abstentions: 0.

- Lease Amendment – New York Wired, LLC

Vice Chair Proud asked for a motion to approve the lease amendment with New York Wired.

Motion: Robert Samson

Second: Franklin Hecht

New York Wired, LLC currently leases office space on the 1st floor of CESTM, consisting of a 419 square foot office that it has occupied since September 2013. Its lease expired on August 31, 2019 and it seeks an extension of the lease for one year. The tenant will pay \$41.39 square foot including utilities, plus parking, which is a 3% increase from the previous year.

The proposed lease represents a small fraction of the total building; therefor an appraisal of the fair market value of the asset is not practical. Staff has determined that lease meets fair market value based on other existing leases on the Albany Nanotech Campus.

The Finance Committee approved a resolution authorizing approval of a lease amendment with New York Wired, LLC under the terms described above and authorizing

the President and the Acting Treasurer, each of them without the other, to take such actions, including without limitation to approve, sign, acknowledge and deliver the amendment in such form as either of them may deem appropriate, as are necessary to effectuate the resolution; and recommending that the Board approve the same action.

Requested Action:

Adopt a resolution authorizing approval of a lease amendment with New York Wired, LLC under the terms described above and authorizing the President and the Acting Treasurer, each of them without the other, to take such actions, including without limitation to approve, sign, acknowledge and deliver the lease amendment in such form as either of them may deem appropriate, as are necessary to effectuate the resolution.

Discussion: None.

Vote:

Ayes: 6, Nays: 0, Abstentions: 0.

5. New Business: None
6. Public Comment: A man who identified himself as John Decatur stated that it was just about a year ago that NY CREATES was announced and asked about its status and why it's taking so long.
7. Next Board of Directors meeting: TBD
8. Adjournment: With no further business to come before the Board, Vice-Chair Proud asked for a motion to adjourn. Robert Samson moved to adjourn and Franklin Hecht seconded. The meeting was adjourned at 3:47 PM.

Respectfully Submitted,

  

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**To: Fuller Road Management Board of Directors**

**Re: Sale of Manufacturing/Industrial Building in Canal Ponds Business Park, Rochester, NY**

**Background:**

Fuller Road Management Corporation (“FRMC”) is the owner of a manufacturing/industrial building at 115 Canal Ponds Boulevard in Rochester, NY. The building is comprised of approximately 59,254 square feet of office, lab and clean manufacturing space located on a 6.9 acre site. In July, FRMC issued and publicly advertised an Invitation for Bid for the sale of the property. Three bids were received. The highest bidder was Donohoe Management LLC (“Donohoe”), with a bid of \$1.5MM. Donohoe advises that its affiliate, Kerry Acquisitions, LLC (“Kerry”) will be the purchaser. FRMC now seeks authorization to sell the facility to Donohoe or its affiliate, Kerry, for \$1.5MM.

FRMC conducted the Invitation for Bid process in accordance with its policies on Procurement and the Acquisition and Disposition of Property. As required by the Acquisition and Disposition Policy, an appraisal of the property was conducted in 2017. The property was appraised for \$2.2MM. Since that time, some facility-related issues have been identified which have further reduced the value of the property and render the purchase price of \$1.5MM fair market value for the property. The sale of the property will enable FRMC to streamline its property holdings and focus on high-tech growth opportunities. The terms and conditions of the sale have been approved by the Interim Contracting Officer, Scott Bateman.

The FRMC Finance Committee approved a resolution (1) authorizing the President and/or Acting Treasurer to sell the facility at 115 Canal Ponds Boulevard in Rochester, NY to Donohoe or its affiliate, Kerry, on the terms and conditions stated above, and to take any and all actions necessary to effectuate such sale, and (2) recommending that the Board approve the same actions.

**Requested Action:**

Approve Resolution No. 161 authorizing the President and/or Acting Treasurer to sell the facility at 115 Canal Ponds Boulevard in Rochester, NY to Donohoe or its affiliate, Kerry, on the terms and conditions stated above, and to take any and all actions necessary to effectuate such sale.



RESOLUTION OF THE BOARD OF DIRECTORS OF  
FULLER ROAD MANAGEMENT CORPORATION

NOVEMBER 6, 2019

RESOLUTION NO:161

AUTHORIZATION TO ENTER INTO A REAL PROPERTY PURCHASE AGREEMENT  
AND TAKE RELATED ACTIONS

WHEREAS, the Fuller Road Management Corporation (the “Corporation”) was formed for the purpose of establishing the infrastructure to help facilitate research and economic development activities related to the research and educational mission of the State University of New York (“SUNY”) and SUNY Polytechnic Institute (“SUNY Poly”) by purchasing, selling, leasing, constructing, developing, and managing facilities; and

WHEREAS, the Corporation, in accordance with its mission and purpose, owns a parcel of land and a manufacturing/industrial building thereon at 115 Canal Ponds Boulevard in Rochester, New York; and

WHEREAS, in July 2019, the Corporation, in an effort to streamline its holdings and focus on high-tech growth initiatives, issued and publicly advertised an Invitation for Bid for the sale of the property and facility in accordance with its Procurement Guidelines Policy and its Acquisition and Disposition of Real Property Policy; and

WHEREAS, the Corporation received three bids for the property and, having conducted the bid process in accordance with its Procurement Guidelines Policy and its Acquisition and Disposition of Real Property Policy, desires to sell the property to the highest bidder, Donohoe Management LLC, or its affiliate Kerry Acquisitions LLC, for \$1.5MM, which is deemed to be the fair market value of the property based on an appraisal in 2017 and further facility-related repairs that have been identified since the appraisal was completed;

WHEREAS, the Interim Contracting Officer, Scott Bateman, approves the terms and conditions of the sale;

NOW, THEREFORE, BE IT RESOLVED BY THE DIRECTORS AS FOLLOWS:

*Section 1:* The Board of Directors hereby approves the sale of the property to the highest bidder on the terms and conditions stated above.

*Section 2:* The Board of Directors hereby authorizes the President and/or Acting Treasurer of the Corporation to take any and all actions as he or she may in his or her discretion consider to be necessary or proper to effectuate the foregoing resolution.

*Section 3:* This Resolution shall take effect immediately.

**TO: Fuller Road Management Corporation Board of Directors**

**RE: Food Service Agreement**

**Background:**

Fuller Road Management Corporation (“FRMC”) seeks to enter into a food service agreement (“Agreement”) with J.R. Proprietors Inc. (“JR”), pursuant to which JR will have the exclusive right to provide food and catering services on the Albany Nanotech Campus (with some limited exceptions) for a base period of five years, with renewal options thereafter upon written agreement of the parties. This Agreement is based on an award made pursuant to a Request for Proposals (“RFP”) issued in August in accordance with FRMC’s Procurement Guideline Policy.

Under the Agreement, JR will operate the two cafes on the Nanotech Campus and have use of the equipment in the cafes. JR will begin operations in the NanoFab East café on November 4, 2019 and will begin operations in the ZEN café within 35 days thereafter. JR will assume the financial risk for the food and catering services. After December 31, 2021, JR will pay FRMC a commission of 1.5% of profits for any quarter that follows four consecutive quarters of profitability that occur after December 31, 2020.

At its September 12, 2019 meeting, the FRMC Board extended the term of the previous food service provider through September 30, 2019 and authorized the President and/or Acting Treasurer to negotiate and enter into a contract with the successful bidder on the new RFP for food services, subject to ratification by the Board at its next meeting. In preparation for JR to begin operations on November 4, 2019, the Agreement is being executed prior to the Board meeting on November 6, 2019 and ratification of the Agreement is sought.

The Finance Committee approved a resolution recommending: (1) that the Board approve and ratify the Agreement, (2) that the Board approve and ratify all actions taken by the President and/or Acting Treasurer regarding the negotiation and execution of the Agreement, and (3) that the Board authorize the President and/or Acting Treasurer to take any and all actions necessary and appropriate to effectuate such actions.

**Requested Action:**

Adopt a resolution (1) approving and ratifying the Agreement, (2) approving and ratifying all actions taken by the President and/or Acting Treasurer regarding the negotiation and execution of the Agreement, and (3) authorizing the President and/or Acting Treasurer to take any and all actions necessary and appropriate to effectuate such actions.

**To: Fuller Road Management Corporation Board of Directors**  
**Re: Proposed Lease Amendment – LAM Research Corporation**

- 1) **Description of Property:** 255 Fuller Road, Albany, NY; office space in NanoFab South (“NFS”) Building.
- 2) **Tenant:** Lam Research Corporation (“LAM”) currently leases two office spaces in NFS consisting of 1,053 square feet and 1,845 square feet. Its lease will expire on November 21, 2019 and it seeks an extension of the lease to March 1, 2022.
- 3) **Lease Terms:** \$51.15 per square foot for the 1,053 square foot office and \$49.66 for the 1,845 office, which rates include operating expenses and utilities. This is a 3% increase from the previous year and the rent will increase 3% annually.
- 4) **Fair Market Value:** The proposed lease represents a small fraction of the total building; therefor an appraisal of the fair market value of the asset is not practical. Staff has determined that lease meets fair market value based on other existing leases on the Albany Nanotech Campus.
- 5) **Associated Costs for Site Preparation:** None.
- 6) **Associated Costs of Lease:** None.
- 7) **Finance Committee:** The Finance Committee approved a resolution (1) authorizing approval of an amendment to the lease with LAM under the terms described above, (2) authorizing the President and the Acting Treasurer, each of them without the other, to take such actions, including without limitation to approve, sign, acknowledge and deliver the amendment in such form as either of them may deem appropriate, as are necessary to effectuate the resolution, and (3) recommending that the Board approve the same action.
- 8) **Action Requested:** Approve a resolution authorizing approval of an amendment to the lease with LAM under the terms described above and authorizing the President and the Acting Treasurer, each of them without the other, to take such actions, including without limitation to approve, sign, acknowledge and deliver the amendment in such form as either of them may deem appropriate, as are necessary to effectuate the resolution.