

**TOWN OF UNION
LOCAL DEVELOPMENT CORPORATION
MINUTES
THURSDAY, NOVEMBER 16, 2017**

The Town of Union Local Development Corporation met for a regular meeting on Thursday, November 16, 2017 at the Town of Union Office Building, located at 3111 East Main Street, Endwell, NY 13760.

I. THE MEETING WAS CALLED TO ORDER AT 8:02 A.M.

MEMBERS PRESENT: Diane Julian, Robert Corwin, Gary Leighton, James Peduto

MEMBERS ABSENT: Stephen Trichka, Mary O'Malley-Trumble

OTHERS PRESENT: Rosemarie Pope, Esq. (LDC Board Attorney)

STAFF PRESENT: Joseph Moody (LDC Director), Robin Shimer (Admin. Asst.)

II. PRESIDENT'S REMARKS

Vice President Julian offered welcoming remarks and best wishes for an enjoyable Thanksgiving.

III. DIRECTOR'S REMARKS

Director Moody cordially extended to all attendees his desire for a pleasant holiday for everyone.

IV. APPROVAL OF THE MINUTES

Minutes of the regular LDC Board Meeting of September 21, 2017 were reviewed and approved.

Motion: Jim Peduto

Motion 2nd: Bob Corwin

Motion: To approve the minutes of the regular LDC Board Meeting held on September 21, 2017, as written.

Vote: All yes, motion approved [4 - Yes, 0 - No, 2 - Absent].

V. OLD BUSINESS

- A. Counselor Pope updated the Board about her most recent interaction, on behalf of the LDC Board, with Unforgettable Parties ownership. She noted there has been non-response to the LDC's proposed loan repayment terms and requested signing of a Confession of Judgment, as conveyed to the Unforgettable Parties owner by Counselor Pope after the LDC Board's September 21, 2017 meeting. Ms. Pope shared with the owner (one of two personal guarantors) the LDC's desired repayment terms and judgment signing. The owner said she would communicate

Counselor Pope's request to the owner's husband (the second personal guarantor). Ms. Pope has not heard from the owner since that time. Consequently, Counselor Pope has filed the motion papers and is now working on a return date with the court. Once a date is established, Ms. Pope will move forward with serving the business owner. Vice President Julian asked what the mechanics of serving will be. Counselor Pope said initial serving is routinely done at the recipient's home and not at the place of employment. Mr. Leighton inquired if a potential subsequent means of seeking recovery would be income execution; Ms. Pope affirmed the possible use of such means. During discussion regarding the recovery means of a judgment, Mr. Peduto noted such action likely would be undesired by the guarantors. He also asked about the status of business fixtures. Ms. Pope said Unforgettable Parties is still in operation. Vice President Julian then asked Board members, Director Moody and Counselor Pope if they desired to discuss any other old business topics. Due to non-identification of such items, attention was then directed to the agenda's new business section.

VI. NEW BUSINESS

- A. Director Moody presented to the Board a loan request by James C. Kirkwood of 17 Kentucky Avenue, LLC (Engineering Manufacturing Technologies LLC). Mr. Kirkwood's company is seeking a Town of Union Business Assistance Loan (via CDBG funds) in an amount of \$230,000.00. The loan is to be paid back over a 15 year term at 3% interest. The purpose of the loan is to assist in the purchase of property and building located at 17 Kentucky Avenue, Endicott. Mr. Moody noted the site is next to the Advanced Manufacturing I-District. The 17 Kentucky Avenue building is comprised of 49,956 square feet. Mr. Moody said the provided financial data looked strong. He offered a tax return copy for Board review. If the Board approves the loan, the LDC would be in a co-equal first position lien with the Broome County IDA on the property. Mr. Moody and the Board discussed three potential financing options under which the LDC would approve the requested loan to 17 Kentucky Avenue, LLC. Mr. Leighton inquired about the assessment. Mr. Moody said tax records showed the full market value to be \$1,106,481. Also, if an appraisal is required by the IDA, it will need to meet LDC guidelines. Due to the requested loan amount of \$230,000.00, Ms. Julian suggested the 2015 Town of Union-Town of Union Local Development Corporation Sub-Recipient Agreement be amended for the purpose of establishing a higher maximum amount than the current \$200,000.000 guideline.

The **first option (Option A)** would be Local Development Corporation Board approval of Business Assistance (TUBA) Loan Program financing in an amount of \$230,000.00 above and beyond normal guidelines – via Community Development Block Grant (CDBG) funds – with repayment terms of 15 years and a 3% interest rate.

The **second option (Option B)** would be Town Board action to amend the 2015 Sub-Recipient Agreement between the Town of Union and the Town of Union Local Development Corporation. The segment of the Recipient Agreement to be amended is Section III. G. 2. for the purpose of increasing the maximum loan amount from \$200,000.00 to a level allowing for a \$230,000.00 loan. Subsequent

to Town Board approval amending the 2015 Sub-Recipient Agreement, the LDC will provide financing to 17 Kentucky Avenue, LLC via a \$230,000.00 Business Assistance loan (CDBG funds) with repayment terms of 15 years and 3% interest rate. However, if the 2015 Sub-Recipient Agreement is not amended, LDC loan financing to 17 Kentucky Avenue, LLC could be provided via \$200,000.00 in CDBG funds and \$30,000.00 in UDAG funds, with repayment terms of 15 years and a 3% interest rate for both the \$200,000.00 loan and the \$30,000.00 loan.

The **third option (Option C)** is LDC Board approval of Business Assistance (TUBA) Loan Program financing in amounts of \$200,000.00 via Community Development Block Grant (CDBG) funds and \$30,000 via Urban Development Action Grant (UDAG) funds. The repayment terms for the \$200,000.00 CDBG loan and the \$30,000.00 UDAG loan would be 15 years and a 3% interest rate.

After Board discussion, Vice President Julian requested a motion to approve loan financing to 17 Kentucky Avenue, LLC based on Options A, B and C. Director Moody will determine which one of the three options will apply to loan financing.

Motion: Gary Leighton

Motion 2nd: Jim Peduto

Motion: To approve a Town of Union Business Assistance (TUBA) loan request to 17 Kentucky Avenue, LLC in an amount not to exceed \$230,000.00. The purpose of the loan is to assist in the purchase of property and building located at 17 Kentucky Avenue, Endicott, New York in the Town of Union.

The financing amount of \$230,000.00 is to be achieved via one of the following options:

Option A: a sum total of \$230,000.00 above and beyond normal guidelines in Community Development Block Grant (CDBG) funds, to be paid back over a 15 year term at 3% interest.

Option B: Potential Town Board amendment of the 2015 Sub-Recipient Agreement between the Town of Union and the Town of Union Local Development Corporation. The purpose of the amendment is to increase the maximum loan amount from \$200,000.00 to allow for a \$230,000.00 loan. The segment of the Recipient Agreement to be amended is Section III. G. 2.

Option C: combined sum amounts of \$200,000.00 in Community Development Block Grant (CDBG) funds and \$30,000 in Urban Development Action Grant (UDAG) funds, resulting in a total sum of \$230,000.00. The repayment terms for both the \$200,000.00 CDBG loan and the \$30,000.00 UDAG loan would be 15 years and a 3% interest rate.

Vote: Motion approved [4 - Yes, 0 - No, 2 - Absent].

- B. Director Moody provided the Board with a loan request by 17 Kentucky Avenue, LLC seeking Town of Union Business Assistance Loan Program financing (via UDAG funds) in an amount of \$200,000.00 to be paid back over a 15 year term at

3% interest. The purpose of the loan is to assist in the renovation/refurbishment of a building located at 17 Kentucky Avenue, Endicott, New York in the Town of Union. Board members, Mr. Moody and Counselor Pope then discussed the request. Mr. Moody referenced a written statement from Engineering Manufacturing Technologies, LLC indicating potential business site relocation to Pennsylvania if the potential \$851,823.00 2017 Round 5 Restore New York Communities Initiative Program Grant funding to the Town of Union is not achieved. It was determined that LDC Board approval of the loan request would be (1) subject to denial of the Restore New York Grant of \$851,823.00 for the Town of Union and (2) contingent upon co-equal financing of \$200,000.00 by the Broome County Industrial Development Agency (The Agency). Following completion of discussion, Vice President Julian requested a motion to approve the requested loan contingent upon the two afore-stated accompanying conditions.

Motion: Gary Leighton

Motion 2nd: Jim Peduto

Motion: To approve a Town of Union Business Assistance (TUBA) loan request to 17 Kentucky Avenue, LLC in an amount not to exceed \$200,000.00 in UDAG funds to be paid back over a 15 year term at 3% interest. The purpose of the loan is to assist in the renovation/refurbishment of a building located at 17 Kentucky Avenue, Endicott, New York in the Town of Union. LDC Board approval is (1) subject to denial of the 2017 Round 5 Restore New York Communities Initiative Grant Program funding of \$851,823.00 for the Town of Union and (2) contingent upon co-equal match financing of \$200,000.00 by the Broome County Industrial Development Agency (The Agency).

Vote: Motion approved [4 - Yes, 0 - No, 2 - Absent].

VII. OTHER BUSINESS

- A. Mr. Moody informed the Board and Counselor Pope that annual LDC Budget data was filed with the New York State Authority Budget Office on October 30, 2017. The submitted data pertains to 2016-2021 budgets. It includes 2016 actual, 2017 estimated, 2018 adopted, and 2019-2021 projected amounts. Mr. Moody also expressed appreciation for the Comptroller's reporting work and assistance.
- B. Mr. Moody and the Board reviewed the current LDC loan recipient portfolio.
- C. Board members, Mr. Moody and Counselor Pope discussed potential defaulting loan recipients Coco Mojo, LLC, Jewels of Java, LLC and Unforgettable Parties. Anticipated loan loss amounts for those businesses were as follows: Coco Mojo, LLC (full balance), Jewels of Java (one-half the balance) and Unforgettable Parties (amount pending due to current recovery work by LDC Attorney).
- D. Mr. Moody informed the Board of the projected \$3,800 cost for this year's audit of the Town of Union Local Development Corporation. The \$3,800 represented an increase of \$100 above last year's \$3,700 fee. This year's audit for the calendar year ending December 31, 2016 was performed by Piaker & Lyons CPAs. The Board decided to have Piaker & Lyons CPAs perform the audit for the year

ending December 31, 2017. The Board will utilize a bid process for the annual LDC audit for the year ending December 31, 2018. Vice President Julian then requested a motion to approve agreement with Piaker & Lyons CPAs in the amount of \$3,800.00 to perform the Annual Audit of the Town of Union Local Development Corporation for the year ending December 31, 2017.

Motion: Jim Peduto

Motion 2nd: Bob Corwin

Motion: To approve an agreement with Piaker & Lyons CPAs in the amount of \$3,800.00 to perform the Annual Audit of the Town of Union Local Development Corporation for the year ending December 31, 2017.

Vote: All yes, motion approved [4 - Yes, 0 - No, 2 - Absent].

- E. Mr. Moody discussed ongoing progressive grant-related work with the villages of Endicott and Johnson City.

VIII. ADJOURNMENT

- A. Vice President Julian asked the Board members, Director Moody and Counselor Pope if they had any additional topics to consider. Due to the completion of discussion and consideration of all pertinent Board matters, Ms. Julian then requested a motion to adjourn the meeting.

Motion: Bob Corwin

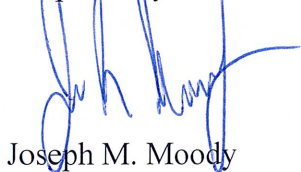
Motion 2nd: Gary Leighton

Motion: To adjourn the meeting of November 16, 2017.

Vote: Motion approved [4 - Yes, 0 - No, 2 - Absent].

The meeting was adjourned at 8:56 a.m.

Respectfully submitted,



Joseph M. Moody
Director