

**TOWN OF UNION
LOCAL DEVELOPMENT CORPORATION
MINUTES
THURSDAY, APRIL 19, 2018**

The Town of Union Local Development Corporation met for a regular meeting on Thursday, April 19, 2018 at the Town of Union Office Building, located at 3111 East Main Street, Endwell, New York.

I. THE MEETING WAS CALLED TO ORDER AT 7:58 A.M.

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

MEMBERS ABSENT: Mary O'Malley-Trumble

OTHERS PRESENT: Rosemarie Pope (LDC Board Attorney)

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

II. PRESIDENT'S REMARKS

President Trichka heartily welcomed all attendees to the meeting.

III. DIRECTOR'S REMARKS

Director Moody referenced the key topics on the Board's agenda.

IV. APPROVAL OF THE MINUTES

Minutes of the special LDC Board Meeting of March 29, 2018 were reviewed and approved.

Motion: Jim Peduto

Motion 2nd: Gary Leighton

Motion: To approve the minutes of the special LDC Board Meeting held on
March 19, 2018 as written.

Vote: All yes, motion approved [5 - Yes, 0 - No, 1 - Absent].

V. OLD BUSINESS

- A. Counselor Pope offered to discuss current litigation matters and requested the Board go into Executive Session. President Trichka then requested a motion for the LDC Board to enter Executive Session at 8:01 a.m.

Motion: Jim Peduto
Motion 2nd: Bob Corwin
Motion: To approve LDC Board action to enter Executive Session to discuss current litigation matters at 8:01 a.m.
Vote: Motion approved [5 - Yes, 0 - No, 1 - Absent].

President Trichka requested a motion for the LDC Board to exit Executive Session at 8:21 a.m.

Motion: Jim Peduto
Motion 2nd: Diane Julian
Motion: To approve LDC Board action to exit Executive Session to discuss current litigation matters at 8:21 a.m.
Vote: Motion approved [5 - Yes, 0 - No, 1 - Absent].

- B. Director Moody provided Board members with a status update about HealthWear Rental, Inc.'s pending return of its signed commitment letter. The LDC Board approved a \$50,000.00 Central Business District loan to Health Wear Rental, Inc. on February 15, 2018.
- C. Director Moody informed Board members that he followed up with their stated interest in offering the vacant LDC Board seat to Mr. L'Amoureux. Mr. Moody provided Mr. L'Amoureux with LDC informational material for his review to gauge his interest.
- D. Director Moody presented to Board members a request by Mr. James Kirkwood, 17 Kentucky Avenue, LLC [Engineering Manufacturing Technologies, LLC (EMT)], for \$200,000.00 in UDAG Loan Program financing. Mr. Moody noted the LDC has three outstanding loans with 17 Kentucky Avenue, LLC and EMT. As of March 5, 2018 the total balance of those three loans was \$319,181.55. The newly requested \$200,000.00 loan is supplemental to the Town of Union Business Assistance (TUBA) loan approved by the LDC Board on November 16, 2018. The total balance of all four loans would be \$519,181.55. The newly requested loan of \$200,000.00 was approved with the condition of co-equal match funding of \$200,000.00 by the Broome County IDA (The Agency). However, due to its earlier committed financing for the project, the IDA will instead provide funding of \$100,000.00. Mr. Trichka asked about the financing source for the \$100,000.00 shortfall. Mr. Moody said the money would be bank-provided. After thorough discussion, Mr. Moody and the Board suggested reducing the potential LDC loan's interest rate from 3% to 1% via a new LDC Interest Rate Reduction (IRR) program. The interest rate reduction to one percent would take effect upon completion of the three-year job creation performance period and concurrently generating the required amount of new jobs within that three-year period. The

industrial classification of 17 Kentucky Avenue, LLC as a manufacturing business played a key role in the rate reduction decision. Another aspect of discussion regarding the \$200,000.00 loan was the LDC having co-equal pro rata 3rd mortgage lien position standing. A 2nd mortgage lien position would apply to the LDC absent bank-requested lien positioning. After comprehensive discussion, President Trichka requested a motion for Board approval of establishing a new LDC Interest Rate Reduction (IRR) loan program for companies classified as manufacturing businesses in the Town of Union. The IRR program would reduce a loan's 3% interest rate to 1% upon a company's successful compliance with the terms of its three-year job creation performance period. In effect, the lower interest rate would begin after the performance period is fully completed and the required number of jobs have been created within that period. The IRR program would be applicable to the \$200,000.00 loan requested by 17 Kentucky Avenue, LLC.

Motion: Jim Peduto

Motion 2nd: Diane Julian

Motion: To approve the establishment of an LDC Interest Rate Reduction (IRR) loan program for manufacturing companies located in the Town of Union. The IRR program's lowering of a loan's 3% interest rate to 1% -- based on the successful completion of the three-year job creation performance period and the correlative creation of the required number of jobs within the approved performance period -- officially establishes the Town of Union Local Development Corporation's new Interest Rate Reduction (IRR) loan program for manufacturing companies located in the Town of Union. The Interest Rate Reduction program is to be based on designation of businesses as manufacturing by North American Standard Classification Industrial Code Standards. Director Moody will apply applicable manufacturing codes to be considered for the Interest Rate Reduction program.

Vote: Motion approved [5 - Yes, 0 - No, 1 - Absent].

President Trichka requested drafting of the parameters of the new Interest Rate Reduction (IRR) program. Director Moody said he will begin working on a written description of the program.

The Board and Mr. Moody further discussed loan programs for manufacturing businesses. Mr. Peduto departed due to a prior commitment. Upon the completion of discussion about the \$200,000.00 loan request by 17 Kentucky Avenue, LLC, President Trichka requested a motion to approve a Town of Union Business Assistance loan of \$200,000.00 to 17 Kentucky Avenue, LLC. The LDC shall have co-equal pro rata 3rd mortgage lien position standing, and a 2nd mortgage lien position would apply to the LDC absent bank-requested lien positioning.

Motion: Diane Julian
Motion 2nd: Gary Leighton
Motion: To approve a request by Mr. James Kirkwood of 17 Kentucky Avenue, LLC for a Town of Union Business Assistance loan of \$200,000.00 to 17 Kentucky Avenue, LLC to be paid back over a 15 year term at 3% interest, subject to IDA financing of \$100,000.00. An interest rate reduction from 3% to 1% shall take effect upon the completion of the three-year performance period and the concurrent creation of the required amount of new jobs. 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. The LDC shall have co-equal pro rata 3rd mortgage lien position standing, and a 2nd mortgage lien position would apply to the LDC absent bank-requested lien positioning. The \$200,000.00 loan of April 19, 2018 amends the \$200,000.00 LDC loan to 17 Kentucky Avenue, LLC, as approved by the LDC Board on November 16, 2017. The \$200,000.00 loan approved on November 16, 2017 was partially based on co-equal IDA funding of \$200,000.00. The \$200,000.00 LDC loan of April 19, 2018 is contrastingly based on IDA financing of \$100,000.00, and thereby amends the November 16, 2017 LDC Board action.
Vote: Motion approved [4 - Yes, 0 - No, 2 - Absent].

- E. Director Moody shared a reminder about the Grand Opening and Ribbon Cutting Ceremony of the Riverdale Banquet Hall at 2:00 p.m. later in the day. The Board members and Mr. Moody noted the many contributions of the Anastos family to the Town of Union community.

VI. NEW BUSINESS

VII. OTHER BUSINESS

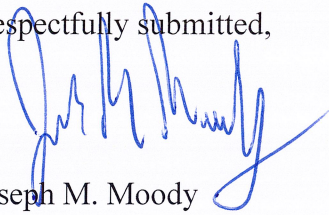
VIII. ADJOURNMENT

President Trichka asked Board members if they desired to discuss any additional topics. Upon affirmation that there were no further issues to bring before the Board, Mr. Trichka called for a motion to adjourn the meeting.

Motion: Bob Corwin
Motion 2nd: Diane Julian
Motion: To adjourn the meeting of April 19, 2018.
Vote: Motion approved [4 - Yes, 0 - No, 2 - Absent].

The meeting was adjourned at 9:00 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. Moody", with a stylized flourish extending from the end.

Joseph M. Moody
Director