

**TOWN OF UNION
LOCAL DEVELOPMENT CORPORATION
SPECIAL MEETING MINUTES
THURSDAY, JUNE 27, 2019**

SYNOPSIS OF MEETING

The Town of Union Local Development Corporation met for a special meeting on Thursday, June 27, 2019 at the Town of Union Office Building, located at 3111 East Main Street, Endwell, New York.

I. THE MEETING WAS CALLED TO ORDER AT 8:00 A.M.

MEMBERS PRESENT: Stephen Trichka, Diane Julian, Gary Leighton, James Peduto,
Timothy Strong, Mary O'Malley-Trumble, Robert Corwin

MEMBERS ABSENT: Jeffrey L'Amoreaux

OTHERS PRESENT: Rosemarie Pope (LDC Board Attorney),
Richard Materese (Town of Union Supervisor)

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

II. APPROVAL OF THE MINUTES

The Minutes of the Regular LDC Board Meeting of May 23, 2019 were reviewed and approved, as written.

Motion: Tim Strong
Motion 2nd: Gary Leighton
Motion: To approve the Regular LDC Board Meeting Minutes of
May 23, 2019, as written.
Vote: Motion approved [6 – Yes, 0 – No, 1 – Absent]

III. PRESIDENT'S REMARKS

President Trichka cordially extended welcoming comments to all meeting attendees.

IV. DIRECTOR'S REMARKS

Director Moody provided an update about the Endicott Downtown Revitalization Initiative (DRI) project application, with presentation being on July 8, 2019 at Binghamton University.

V. OLD BUSINESS

VI. NEW BUSINESS

- A. Director Moody shared with Board members the loan request by Mr. John Fuller of Simulation and Control Technologies, Inc. (SCT). Mr. Fuller is seeking \$200,000.00 in Emerging Enterprise/Emerging Market Entrepreneurial (E3) funds for purchase of property and a building and renovation of a building at 430 Airport Road in Endicott. SCT is now located in the Town of Conklin. The Airport Road site offers room for facility expansion. Mr. Moody said SCT is a strong company specializing in motion platform systems and applications for aircraft, automotive, electric boat and rescue simulators. Mr. Moody said Town of Union Business Assistance (TUBA) funding is an alternative to Emerging Enterprise/Emerging Market Entrepreneurial (E3) program funding.

As a follow-up to discussion at the May 23, 2019 LDC Board meeting, Mr. Moody said the proposed E3 loan terms for SCT are a 15 year period at an interest rate of 0% for year one, 1% for years two and three, and 2% for the remaining twelve years. SCT projected creation of six new jobs. Mr. Moody anticipates SCT will be able to meet the required creation of seven new jobs for an E3 loan amount of \$200,000.00. The sum of seven jobs is based on the SCT's E3 loan ratio of one new job for every \$30,000.00 in funds. The IDA may provide matching funds up to \$200,000.00. The LDC and the IDA would have co-equal lien positions. Mr. Trichka then sought affirmation of LDC compliance with approved standards in the LDC's establishment of E3 job creation-loan amount terms. Mr. Moody said the LDC has the capacity to design its programs' terms, provided that such terms are within HUD guidelines.

Supervisor Materese provided supportive insight about SCT's business standing and operational structure. He said SCT is the only U.S. company producing motion platform systems and its applications. Also, SCT has access to military programs that other companies may not possess due to requirement of U.S. citizenship. Mr. Strong asked if SCT has experienced notable fluctuations in income due to variance in contractual securements. Mr. Moody said SCT's income level has been steady.

Ms. Julian asked Mr. Moody to speak to the different Owner's Equity amounts listed in two separate areas on page eight of the E3 loan application. Owner Equity of \$200,000.00 was stated in the Project Financing section by the applicant, and \$430,000.00 was listed in the Sources of Funding section. Also, the Other Financing section listed an IDA amount of \$200,000.00. Mr. Moody called the applicant, who affirmed his submitted application should have listed an Owner's Equity amount of \$430,000.00 and \$200,000.00 as Other (i.e. IDA loan amount). The applicant will submit a corrected page eight of the application form. President Trichka asked the Board members if they had additional questions about SCT's requested E3 loan. Due to Board satisfaction with the information provided and the breadth of loan discussion, Mr. Trichka then requested a motion to approve an Emerging Enterprise/Emerging Market Entrepreneurial (E3) loan to Mr. John Fuller of Simulation and Control Technologies, Inc. The loan shall be in an amount not to exceed two hundred thousand dollars and zero cents (\$200,000.00),

and will be used to assist in purchasing the building located at 430 Airport Road in Endicott, New York in the Town of Union. Also, the loan shall be for a period of 15 years at a fixed interest rate of 0% for the first year, 1% for years two and three, and 2% for the remainder of the term. The LDC's loan to SCT will be secured by a shared co-equal first mortgage lien position on the 430 Airport Road facility with The Agency (IDA). SCT shall be obligated to meet the LDC's job creation requirement of seven new jobs, as based on the requirement of establishing one new job for every \$30,000.00 in E3 funding.

Motion: Mary O'Malley-Trumble

Motions 2nd: Diane Julian

Motion: To approve an Emerging Enterprise/Emerging Market Entrepreneurial (E3) loan to Mr. John Fuller of Simulation and Control Technologies, Inc. The loan shall be in an amount not to exceed two hundred thousand dollars and zero cents (\$200,000.00) for the purpose of assisting in the purchase of the building located at 430 Airport Road in Endicott, New York in the Town of Union. The loan shall be for a period of 15 years at a fixed interest rate of zero percent (0%) for the first year, one percent (1%) for years two and three, and two percent (2%) for the balance of the term. The loan will be secured by a shared co-equal first mortgage lien position on the 430 Airport Road facility with The Agency (IDA). SCT shall be obligated to meet the LDC job creation requirement of seven new jobs, as based on the requirement of establishing one new job for every \$30,000.00 in E3 funding.

Vote: Motion approved [6 – Yes, 0 – No, 1 – Absent]

Mr. Strong expressed an interest in future LDC publicizing of loan financing to successful recipients. The Board members and Mr. Moody discussed potential publicizing of such funding. The Board was supportive of publicly disseminating, via media releases, LDC Board actions approving loans to town businesses. Mr. Moody will add to the loan application a question about applicant interest in LDC promoting of the successful applicant's business via media release or other means.

- B. Mr. Moody informed the Board of a potential new loan request by Mr. Samuel Lupo, Jr. of SSE3, LLC. The LDC previously approved a TUBA loan to SSE3 on December 20, 2018, and then on January 3, 2019 approved modification of the original loan. Mr. Lupo may soon request from the LDC a Town of Union Business Assistance (TUBA) loan of \$300,000.00 to be applied toward purchase of equipment. Mr. Lupo is not seeking to apply the desired \$300,000.00 loan toward the building at 430 Airport Road, as he recently closed on the purchase of that building. Mr. Moody is seeking first lien positioning on the equipment for the LDC. Mr. Lupo is in the process of contacting his lender to convey the positioning proposal.

Director Moody presented for Board discussion a potential Town of Union Business Assistance (TUBA) loan request of \$120,000.00 by Mr. Justin Marchuska, II of 1435-1439 Marchuska, LLC. The loan would be applied to the purchase of furniture, fixtures and equipment for Marchuska Brothers offices located at 1405 East Main Street in Endicott. Zoning and deviated pilot issues relevant to the potential \$120,000.00 loan are currently being addressed.

VII. OTHER BUSINESS

- A. Mr. Moody provided the Board members with an update about the current status of the LDC's Loan Portfolio.
- B. Mr. Moody advised scheduling a meeting of the Grant Assistance Program (GAP) Sub-Committee. He said the purpose of the meeting would be to review the submitted Intent to Apply Forms. The Sub-Committee is comprised of Mr. Moody, Ms. Pope, Mr. Leighton, Mr. Strong and Ms. O'Malley-Trumble. There was then discussion about the comprehensive timeframe of the GAP, and development of the correlative matrix to be applied to both Intent to Apply Forms and grant applications.

VIII. ADJOURNMENT

- A. President Trichka asked the meeting attendees if they had any additional topics for consideration. Due to the completion of discussion and consideration of pertinent Board matters, Mr. Trichka requested a motion to adjourn the meeting at 8:49 a.m.

Motion: Diane Julian

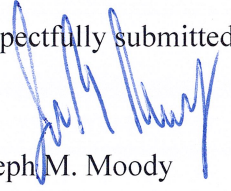
Motion 2nd: Jim Peduto

Motion: To adjourn the special meeting of June 27, 2019.

Vote: Motion approved [6 - Yes, 0 - No, 1 - Absent].

The meeting was adjourned at 8:49 a.m.

Respectfully submitted,


Joseph M. Moody
Director