

**TOWN OF UNION  
LOCAL DEVELOPMENT CORPORATION  
MINUTES  
FRIDAY, JUNE 7, 2013**

The Town of Union Local Development Corporation met for a special meeting on Friday, June 7, 2013 at the Town of Union Office Building, located at 3111 East Main Street, Endwell, NY 13760.

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

MEMBERS PRESENT: Dr. Leslie Distin, Stephen Trichka, Diane Julian, Donald Adams, Robert Corwin

MEMBERS ABSENT: Ross Peduto, Gary Leighton, David Roth

OTHERS PRESENT: Alan Pope (LDC Counsel)

STAFF PRESENT: Joseph Moody (LDC Director), Robin Shimer (LDC Administrative Assistant)

**II. APPROVAL OF THE MINUTES**

Minutes of the Regular LDC Board Meeting of May 23, 2013 were reviewed and approved.

Motion: Diane Julian

Motion 2nd: Bob Corwin

Motion: To approve the minutes of the Regular LDC Board Meeting held on May 23, 2013 as written.

Vote: All yes, motion approved.

**III. PRESIDENT'S REMARKS**

Dr. Distin welcomed Board members and all attendees to the meeting. He shared positive news and extended to Vice President Trichka an invitation to chair the special meeting. Mr. Trichka accepted and said he was glad to hear the good news.

**IV. DIRECTOR'S REMARKS**

Mr. Moody provided Board members with an overview of the agenda's items.

**V. OLD BUSINESS**

**VI. NEW BUSINESS**

- A. Mr. Moody suggested it would be optimally beneficial for Board members to be briefed by Real Life Board Games loan applicant Paul Ross. The Board concurred with Mr. Moody, and he will invite Mr. Ross to attend the Board's meeting on June 20, 2013. Mr. Adams inquired if Mr. Ross' loan request meets the purpose of the LDC, particularly as to job creation. Mr. Moody said that according to Mr. Ross' plan he will need to provide people to fill orders and ship the product, which would meet the job creation requirement. Mr. Trichka noted a sense of Board

reluctance at that time to fully embrace the loan request. Mr. Moody suggested a presentation by Mr. Ross would likely provide the best means for a broad range of Board members' questions to be answered.

- B. Board members were presented with a resolution pertaining to Binghamton Brewing Co.'s Microenterprise loan financing request in the amount of \$20,000 to be paid back over a three (3) year term at a 1.5% interest rate. Mr. Moody shared with the Board details about the leased space (including its Johnson City location and 1,000 square feet size) and also a long term business plan to open a brew pub, perhaps in the City of Binghamton. He also provided details about aspects of project financing, background of the owners, job creation, environmental review (including Planning Department determination that, due to the property's location within a national register district, any building renovation would require the owner's consultation with the State Historic Preservation Office), financial statements and business plan documentation. Mr. Adams inquired about the projected timeframe for implementation of the brewery and brewery pub aspects of the business plan. Mr. Trichka asked if Mr. Moody had a sense of the current success level of a similar business located on Washington Avenue. Ms. Julian asked about the different facets of the two types of businesses. Mr. Moody shared replies to each of the Board members' questions. Mr. Trichka inquired if the income statements looked reasonable to Mr. Moody. Mr. Moody believed the statements were realistic. Ms. Julian inquired and commented on cash flow and amortization, and received favorable response from Mr. Moody. Further discussion pertained to business permit needs and ownership finances and experience. Mr. Corwin noted the Microenterprise loan program is unique and can be viewed somewhat differently than other LDC loan programs. Mr. Moody concurred that Microenterprise loans inherently have a higher level of risk. Mr. Pope asked if the Board desired, for security purposes, to obtain the personal guarantee of the principal employee (the owner's husband), as well as the owner. The Board and Mr. Moody agreed that having such a personal guarantee was desired. Mr. Trichka requested adding the joint personal guarantee requirement to the proposal as a condition for loan approval.

Mr. Trichka then asked for a motion to approve a Microenterprise Loan Program loan to Binghamton Brewing Co. in the amount of \$20,000 to be paid back over a three (3) year term at 1.5% interest, with security of loan repayment to be personally guaranteed by both Mrs. Lyons and Mr. Lyons.

Motion: Bob Corwin

Motion 2<sup>nd</sup>: Don Adams

Motion: To approve a Microenterprise Loan Program loan to Binghamton Brewing Co. in the amount of \$20,000 to be paid back over a three (3) year term at 1.5% interest, with security of loan repayment to be personally guaranteed by both Mrs. Lyons and Mr. Lyons.

Vote: All yes, motion approved.

- C. Mr. Moody presented to the Board a resolution pertaining to EMT/Engineering Manufacturing Technologies, LLC's request for a Town of Union Business Assistance (TUBA) loan in the amount of \$140,000 to be paid back over a five (5) year term at 2% interest (standard interest rate is 3%) to assist in the purchase of assets of Proto-Fab Design, LLC.

Mr. Moody shared information pertaining to financial and operational aspects of the loan request, as well as an anticipated increase in employees. EMT/Engineering Manufacturing Technologies, LLC recently acquired the Endicott Machine & Tool Co. business and building over the past several months. The building was purchased for \$1 million and the business for

\$2.9 million. The EMT/Engineering Manufacturing Technologies, LLC owners are now seeking to purchase Proto-Fab Design assets. Mr. Moody said the standard interest rate for TUBA loans is 3%. He further noted the loan structuring percentage of 60% (vs. the 80% sought by EMT) of eligible project costs is the defined loan ceiling for TUBA loans. However, the program's current balance amount would allow for a loan at up to 80% level of project financing. Also, in referring to the provided actual and projected financials, he shared that EMT seems to be on track to realize its anticipated numbers. The business, which would be required to add five jobs if the requested loan is approved, expects to grow its employee numbers from 90 to 102 over the next three years. The LDC would be in a subordinate position behind the bank, and also have the personal guarantee of all three owners. The Board was furnished with a Bank But For Letter from Chemung Canal Trust. Mr. Moody asked Ms. Julian (who has significant experience in the banking profession) and all Board members to review the bank's letter. Mr. Pope shared, in the interest of full disclosure and non-effect on meeting deliberations, that he represents Proto-Fab Design. Mr. Trichka inquired about the depreciation aspect of the equipment intended for purchase. Mr. Pope replied that the Proto-Fab Design equipment is of unique high precision, and would benefit Engineering Manufacturing Technologies in its ability to diversify and perform at a more lucrative high tech level. Also, the equipment's purchase amount is considerably discounted.

Ms. Julian asked Mr. Pope if seeking a cross-guarantee with the real estate LLC would be advisable. Mr. Pope replied he had thought about the matter, and that it would be good to do so. The Board agreed to seek additional security of second lien positioning on the building owned by the real estate holding company. After further Board discussion, it was decided and requested by the Board that other specifics upon which a loan to EMT would be considered for approval included: providing the loan at a 3% interest rate, obtaining life insurance policies on Mr. Kirkwood and Mr. Whitaker, and providing financing up to 80% of the eligible project costs.

Mr. Trichka asked for a motion to approve a Town of Union Business Assistance loan to EMT/Engineering Manufacturing Technologies, LLC in the amount of \$140,000 to be paid back over a five (5) year term at 3% interest, with loan approval based on the receiving of security of loan repayment to be personally guaranteed by all three co-owners, achieving second lien positioning on the building owned by the real estate holding company, obtaining life insurance policies on Mr. Kirkwood and Mr. Whitaker, and providing financing up to 80% of eligible project costs.

Motion: Diane Julian

Motion 2<sup>nd</sup>: Dr. Leslie Distin

Motion: To approve a Town of Union Business Assistance loan to EMT/Engineering Manufacturing Technologies, LLC in the amount of \$140,000 to be paid back over a five (5) year term at 3% interest, with loan approval based on receiving of security of loan repayment to be personally guaranteed by all three co-owners, achieving second lien positioning on the building owned by the real estate holding company, obtaining life insurance policies on Mr. Kirkwood and Mr. Whitaker, and providing financing up to 80% of eligible project costs.

Vote: Motion approved (Yes - 4, No - 0, Abstain - 1, Don Adams).

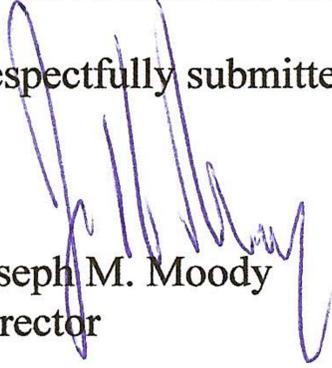
## VII. OTHER BUSINESS

- A. Mr. Moody shared that Grand Opening ceremonies were scheduled for Fast Eddie's Café on June 7, Renata's Bakery on June 19, Advance Auto Parts on June 20, and the Greek Key Restaurant on June 21.

## VIII. ADJOURNMENT

Mr. Trichka confirmed with Board members and Mr. Moody there was no additional business for discussion and declared the meeting adjourned at 8:42 a.m.

Respectfully submitted,

  
Joseph M. Moody  
Director