TOWN OF UNION
LOCAL DEVELOPMENT CORPORATION
MINUTES
THURSDAY, SEPTEMBER 19, 2013

The Town of Union Local Development Corporation met for a regular meeting on Thursday, September 19, 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 8:05 A.M.

MEMBERS PRESENT:	Dr. Leslie Distin, Stephen Trichka, Diane Julian, Ross Peduto, Robert Corwin, Gary Leighton, David Roth
MEMBERS ABSENT:	None
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 July 18, 2013 were reviewed and approved.

Motion:	Diane Julian
Motion 2nd:	Steve Trichka
Motion:	To approve the minutes of the Regular LDC Board Meeting held on July 18, 2013 as written.
Vote:	All yes, motion approved.

III. PRESIDENT'S REMARKS

Dr. Distin expressed enthusiasm about the day's activities, and offered positive comments regarding the Board's ongoing work in considering financing for local businesses.

IV. DIRECTOR'S REMARKS

Mr. Moody noted he and Dr. Distin have discussed potential Board candidates. They invited Board members to share names of individuals who would fit well in Board group interaction and performance of responsibilities.

V. OTHER BUSINESS

A. Mr. Moody referenced the agenda's primary discussion item of Jewels of Java, LLC's request for Board approval to release the 2nd mortgage lien position to allow for the sale of property located at 401 North Street in Endicott. He said the loan was approved in 2003 and is scheduled for payoff in 2023. The original $100,000 loan currently has a $58,000 balance. Life insurance documentation is forthcoming. Jewel of Java has met its job creation requirement.

Mr. Leighton asked if M&T Bank was taking steps similar to those requested of the LDC Board. Mr. Moody said the bank was doing so. Mr. Roth asked if Jewels of Java has been current with its payments. Mr. Moody replied in the affirmative. Mr. Trichka inquired if the loan payment rate was four percent. Mr. Moody affirmed it was. Mr. Trichka asked for verification of the

property address subject to lien release consideration as being 401 North Street, and not also the 400 North Street property. He also asked what documentation still needed to be provided. Mr. Moody said the only unprovided material was current financial statements and life insurance policy verification, both of which he anticipates receiving soon. The property address applicable to the request is 401 North Street only. Mr. Moody said if the Board does approve Jewels of Java's request, he would ask for the approval to be based on the Board receiving the loan recipient's financials and proof of insurance.

In discussion that followed, Mr. Pope shared that a land contract is simply a contract to sell and to give a deed in the future, which doesn't necessarily trigger payment of the loan itself. He said the current Jewels of Java request may pertain to a need to clear title due to the taking of deed. As a prerequisite to provision of releasing secondary collateral, the Board could request from Jewels of Java the provision of substitute collateral (such as a house), or perhaps the collateral in equity of the remainder of secondary collateral would be sufficient. Mr. Trichka asked what the property at 400 North Street is valued at. Mr. Moody said he's sure the assessment amount is larger than the debt with M&T Bank and the LDC debt. Ms. Julian recommended exploring the determination of 400 North Street property valuation. She also asked if refiling was required. Mr. Pope said refiling isn't needed, as the LDC already has security interest in that property and would stand alone on that property if the 401 North Street property lien is released. Mr. Leighton asked how the prior financial statements have been. Mr. Moody said they were fine.

Dr. Distin posed the question to Board members of what their preferred course of action was. Board members and Mr. Moody discussed that an approval to release the second mortgage line position should be based on the three conditions of receiving from Jewels of Java: (1) current financial statements, (2) proof of life insurance, and (3) securing 75% to 80% loan to value on the existing building located at 400 North Street. Mr. Pope suggested that M&T Bank may have asked for an updated appraisal for the purpose of determining property value.

Mr. Corwin asked what the balance was with M&T Bank. Mr. Moody said a $100,000 balance would seem probable. Mr. Moody said the prior LDC loan was based on 90% loan to value. Mr. Corwin asked how many people the company employed. Mr. Moody replied that 16 jobs had been created, which was above the required creation of 10 jobs for securing financing.

Dr. Distin reiterated the question of what action the Board desired. Ms. Julian recommended that conditions for approving the Jewels of Java, LLC request should be as follows: (1) review of current financial statements, (2) receipt of updated life insurance, and (3) a 90% loan to value (to be consistent with the previous loan stipulation) on the property located at 400 North Street, Endicott. Dr. Distin asked if Ms. Julian's conditions were a motion for approval of the request by Jewels of Java, LLC for the LDC Board to release the second mortgage lien position to allow for the sale of property located at 401 North Street. Ms. Julian affirmed her stated conditions were in face a motion, which was seconded by Mr. Trichka. The Board voted unanimously in supporting Mrs. Julian's motion, as recorded below.

Motion:	Diane Julian
Motion 2nd:	Steve Trichka
Motion:	To approve a request by Jewels of Java, LLC for LDC Board approval to release 2nd mortgage lien position to allow for the sale of property located at 401 North Street, Endicott. LDC Board approval is based on the following conditions: (1) review of current financial statements, (2) receipt of updated life insurance, and (3) a 90% loan to value on the existing building located at 400 North Street, Endicott.
Vote:	All yes, motion approved.

VI. OLD BUSINESS

VII. NEW BUSINESS

VIII. ADJOURNMENT

Dr. Distin asked the Board members and Mr. Moody if there was any other business to discuss. There being none, he requested a motion to adjourn the meeting.

Motion:	Diane Julian
Motion 2nd:	Steve Trichka
Motion:	To adjourn the Regular LDC Board meeting of September 19, 2013.
Vote:	All yes, motion approved.

Dr. Distin declared the meeting adjourned at 8:20 a.m.

Respectfully submitted,

Joseph M. Moody
Director