

**TOWN OF UNION
LOCAL DEVELOPMENT CORPORATION
MINUTES
THURSDAY, MAY 23, 2013**

The Town of Union Local Development Corporation met for its regular meeting on Thursday, May 23, 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 7:58 A.M.

MEMBERS PRESENT: Stephen Trichka, Diane Julian, Donald Adams, Robert Corwin, Gary Leighton, Ross Peduto

MEMBERS ABSENT: Dr. Leslie Distin, 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 February 21, 2013 were reviewed and approved.

Motion: Diane Julian

Motion 2nd: Robert Corwin

Motion: To approve the minutes of the Regular LDC Board Meeting held on February 21, 2013 as written.

Vote: All yes, motion approved.

III. PRESIDENT'S REMARKS

Vice President Trichka welcomed Board members and all attendees to the meeting, and stated that the Board members' thoughts were with Dr. Distin.

IV. DIRECTOR'S REMARKS

Director Moody shared Mr. Trichka's view and shared Dr. Distin's request to extend his apologies to the Board for his absence due to family responsibilities.

V. OLD BUSINESS

VI. NEW BUSINESS

- A. Vice President Trichka directed Board attention to the 2013 Auditors Report of the Financial Statements for the year ended December 31, 2012. Director Moody noted the thoroughness of the report, and then asked Mr. Leighton for his perspective on the report. Mr. Leighton, who formerly served as Town Comptroller, said the report's letters to the Board included nothing of

concern about the LDC's financial position. He referenced the financial statements' key aspects, notably the assets of cash and loans. Together, loans and cash balance represent 98% of total assets. He also identified short and long term loan receivable amounts, last year's flood-related loans, revenue and expense totals, minimal liabilities, and loan activity summary. He concluded the report is a clean audit of the LDC. Mr. Moody thanked Mr. Leighton for his overview and asked if there were any questions about the audit report. Mr. Trichka noted the prior year's loan activity level. Mr. Moody then shared insight on pending loan requests. Mr. Moody also said the Town Council will be seeking bids for this year's auditing of town government. He asked if Board members are inclined to solicit bids for next year's auditing in conjunction with the Town Council. Ms. Julian asked if cost savings can be achieved if the LDC and Town Council contract with the same vendor. Mr. Leighton said a \$500-\$1000 savings may be possible. After discussion of the notable 2012 performance by the LDC's current auditing firm, which is viewed as providing optimal service, the Board expressed preference to continue with the present auditor.

- B. Discussion pertained to correspondence the LDC received from M&T Bank stating the bank is extending to Pro-Lettering, LLC a company-desired restructuring of its commercial mortgage. Such restructuring would extend the maturity date from October 31, 2020 to October 31, 2025. Mr. Moody's phone calls to the bank's representative for clarification of the correspondence's purpose have not been returned. It was decided no further LDC action is needed.
- C. Mr. Moody informed the Board of a loan request made by Mr. Paul Ross (d/b/a Real Life Board Games) for Microenterprise loan financing in an amount of \$20,000 to be paid back over a three (3) year term at 1.5% interest. Discussion about the nature of Mr. Ross' board game followed. Mr. Trichka commented on the importance of job creation. Mr. Peduto shared remarks about employment. Mr. Leighton asked if environmental review is needed if Mr. Ross is leasing facility space. Mr. Moody affirmed that review is needed.

Mr. Trichka called for forwarding to the Town of Union Planning Department for environmental review the loan request by Mr. Paul Ross (d/b/a Real Life Board Games) for Microenterprise loan financing in an amount of \$20,000 to be paid back over a three (3) year term at 1.5% interest.

Motion: Ross Peduto

Motion 2nd: Gary Leighton

Motion: To approve forwarding to the Town of Union Planning Department for environmental review the loan request by Mr. Paul Ross (d/b/a Real Life Board Games) for Microenterprise loan financing in an amount of \$20,000 to be paid back over a 3 year term at 1.5% interest.

Vote: Motion approved (Yes - 5, No - 0, Abstain - 1).

Abstained: Diane Julian

- D. The loan application submitted by Binghamton Brewing Co. was presented for discussion. Mr. Moody shared that the nature of the business is brewing, the space will be leased, and the owner and principal employee are engineers who intend to eventually expand to a second site.

Mr. Trichka called for forwarding to the Town of Union Planning Department for environmental review the loan request by Binghamton Brewing Co. for Microenterprise loan financing in an amount of \$20,000 to be paid back over a three (3) year term at 1.5% interest.

Motion: Don Adams
Motion 2nd: Diane Julian
Motion: To approve forwarding to the Town of Union Planning Department for environmental review the loan request by Binghamton Brewing Co. for Microenterprise loan financing in an amount of \$20,000 to be paid back over a 3 year term at 1.5% interest.
Vote: All yes, motion approved.

- E. Mr. Moody said Engineering Manufacturing Technologies, LLC (formerly known as Endicott Machine & Tool Co. Inc.) has submitted a loan request. The company is an established local business with about 90 employees that manufactures gun clips and related items. The new owner plans to hire additional employees and eventually expand the facility's size. Mr. Leighton asked if there is any bank involvement regarding equipment. Mr. Moody said there is no involvement. Mr. Trichka asked if there are any existing Proto-Fab Design contracts which Engineering Manufacturing Technologies will be acquiring in concurrence with the purchase of physical assets. Mr. Moody said there is such a contract but he was uncertain if the details have been worked out. Mr. Pope, who is counsel to Proto-Fab, shared comment that assumption of established contracts is a goal that Engineering Manufacturing Technologies is seeking to achieve. Mr. Peduto noted a loan rate of 2% is being sought. Mr. Moody said his perspective on loan rates is one of flexibility. Mr. Pope referenced the commonality of professional experience between the involved parties.

Mr. Trichka called for forwarding to the Town of Union Planning Department for environmental review the loan request by Engineering Manufacturing Technologies, LLC for Town of Union Business Assistance loan financing in an amount of \$140,000 to be paid back over a five (5) year term at 2.0% interest (standard rate is 3%) to assist in the purchase of assets of Proto-Fab Design, LLC.

Motion: Bob Corwin
Motion 2nd: Don Adams
Motion: To approve forwarding to the Town of Union Planning Department for environmental review the loan request by Engineering Manufacturing Technologies, LLC for Town of Union Business Assistance loan financing in an amount of \$140,000 to be paid back over a five (5) year term at 2% interest (standard rate is 3%) to assist in the purchase of assets of Proto-Fab Design, LLC.
Vote: All yes, motion approved.

VII. OTHER BUSINESS

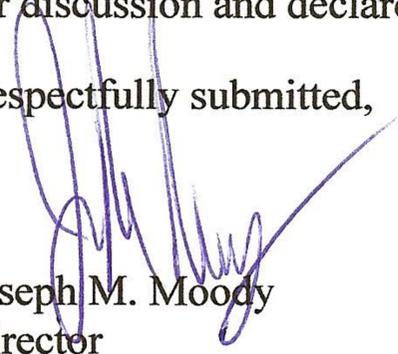
- A. Mr. Moody presented for discussion a City of Binghamton LDC Board request seeking Town of Union LDC support for a resolution urging Broome County government to remove the 2013 1.5% sales tax revenue sharing increase cap and a 2014 2.0% increase cap and restoration of a 50/50 sales tax distribution agreement. Mr. Moody noted the Town LDC's non-political history. Mr. Adams shared the perspective that such a matter is most applicable to town elected officials. After conversation among Board members, the Town LDC declined to support the resolution.

- C. Two LDC loans were recently paid off. Mr. Moody informed Board members that Dr. Lauren Brady of Valley Chiropractic Center repaid her \$16,000 Central Business District loan on April 1, 2013, and Progressive Tool Co. repaid its \$100,000 Flood Assistance loan on March 1, 2013.
- D. Mr. Moody said the loan closing for the \$16,950 LDC Commercial Loan provided to Fast Eddie's Café was held on April 26, 2013. The ribbon cutting ceremony will be held soon. Board members and Mr. Moody commented on the vast improvement to the business due to the loan.
- E. Mr. Moody noted the ribbon cutting ceremonies held at Daylight Donuts and Nanticoke Gardens, and the expression of support by the businesses for the Board's loans. Mr. Trichka commented on the qualitative operation of Nanticoke Gardens, as observed during a recent visit. Mr. Moody said the garden center is expanding and working with the Town Planning Department. Ms. Julian commented about the ongoing growth of the business under the present owners.
- F. Mr. Moody referenced the past meeting of the Western Broome Central Business District. At that meeting he provided the Downtown Endicott Business Association's attending members with information about the LDC's Commercial Façade loan program. He shared that it may be prudent to consider future program modification to generate greater use by the business community. Mr. Trichka inquired about the benefit of offering zero percent loans. Mr. Moody said targeting certain areas may be a viable way to achieve increased program participation. Mr. Corwin observed that having improved parking is an important factor for businesses. He also remarked about the possibility of offering grant-based programs. Ms. Julian inquired if other LDC program websites provide some aspects or types of loans that the Town LDC could incorporate into its comprehensive program. Mr. Peduto shared that zero percent loans may provide a means by which the Town LDC can increase loan program participation. Mr. Corwin said that in the past he, as a commercial building owner, valued the use of half loan and half grant programs. Mr. Moody also said related-purpose loan programs may offer opportunity for greater loan participation. Mr. Trichka remarked about the value of certain programs to specific business areas.

VIII. ADJOURNMENT

Mr. Trichka confirmed with Board members and Mr. Moody there was no additional business for discussion and declared the meeting adjourned at 8:50 a.m.

Respectfully submitted,


Joseph M. Moody
Director