

**TOWN OF UNION  
LOCAL DEVELOPMENT CORPORATION  
MEETING MINUTES**

**THURSDAY, FEBRUARY 26, 2015**

The Town of Union Local Development Corporation met for its regular meeting on Thursday, February 26, 2015 at the Town of Union Office Building, located at 31 11 East Main Street, Endwell, NY 13760

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

- I.    **MEMBERS PRESENT:**     Diane Julian, Robert Corwin, Gary Leighton, James Peduto, Kay Adams
- MEMBERS ABSENT:**     Stephen Trichka, David Roth
- OTHERS PRESENT:**     Rose Pope (LDC Counsel)
- STAFF PRESENT:**       Joseph Moody, Robin Shimer

**II. APPROVAL OF THE MINUTES**

Minutes of the LDC Regular Board Meeting of December 18, 2014 and the LDC Annual Board Meeting of December 18, 2014 were reviewed and approved.

- Motion:       Gary Leighton  
Motion 2nd:   Kay Adams  
Motion:       To approve the minutes of the LDC Regular Board Meeting held on December 18, 2014, as written.  
Vote:         All yes, motion approved (5-yes, 1-absent, 1-vacancy).
- Motion:       Bob Corwin  
Motion 2nd:   Jim Peduto  
Motion:       To approve the minutes of the LDC Annual Board Meeting held on December 18, 2014, as written.  
Vote:         All yes, motion approved (5-yes, 1-absent, 1-vacancy).

**III. VICE PRESIDENT'S REMARKS**

- A. Vice President Julian welcomed everyone to the meeting.

**IV. DIRECTOR'S REMARKS**

- A. Director Moody made reference to the meeting's agenda.

**V. OLD BUSINESS**

- A. The Board discussed the potential approval of a request by National Pipe & Plastics, Inc. President David Culbertson for a time extension pertaining to the LDC grant of \$300,000 approved on May 15, 2014. The grant funding was to be used for acquisition of the property and the building, demolition of the building, and site development costs for the property and building located a 1 North Page Avenue in Endicott. Mr. Moody

reviewed the history of the property as it pertained to those May 15, 2014 Board actions. Mr. Culbertson is seeking the extension due to the date expiration of his Commitment Letter. Mr. Moody believed that Board approval of a Memorandum of Understanding, stating the Board is still in agreement with the terms of the aforementioned grant, would accomplish the purpose of meeting Mr. Culbertson's time extension request. Ms. Adams asked if current litigation regarding the property may affect Mr. Culbertson's anticipated remediation timeframe. Mr. Moody replied that the LDC's Commitment Letter included performance measures for assuring certain actions. He said Mr. Culbertson previously agreed with those measures. The Board members expressed preference for crafting a new LDC Commitment Letter, including the same conditions as the previous letter, requirement for initiation of action by February 26, 2016, and Mr. Culbertson's provision of a quarterly written status update. Ms. Julian inquired what the procedure would be if the LDC had to retract a commitment. It was determined that a retraction would have to be built into the Commitment Letter. Counsel R. Pope will incorporate the necessary phraseology. Ms. Julian asked if Board members had further questions. In the absence of other inquiries, she requested a motion for Board approval to extend by one year the Local Development Corporation's commitment to the previously approved \$300,000 grant to National Pipe & Plastics, Inc., including the same conditions as the prior letter, requirement for initiation of action by February 26, 2016, and provision of a quarterly written status update from Mr. Culbertson.

Motion: Gary Leighton  
Motion 2nd: Bob Corwin  
Motion: To approve a one year extension of the Local Development Corporation's commitment to the previously approved May 15, 2014 \$300,000 grant to National Pipe & Plastics, Inc., including the same conditions as the prior letter, requirement for initiation of action by February 26, 2016, and provision of a quarterly written status update by Mr. Culbertson to the Board and performance dates.  
Vote: All yes, motion approved (5-yes, 1-absent, 1-vacancy).

## **VI. NEW BUSINESS**

A. Mr. Moody sought comments on potential acceptance and adoption of the 2014 International Economic Development Council (IEDC) Report, and prioritization of suggestions. The Board reviewed the report's recommendation summary chart and, following discussion, established a subcommittee -- comprised of Ms. Adams and Mr. Peduto -- charged with selecting preferred IEDC suggestions and bring subcommittee suggestions to the full board for input prior to implementation. Consideration will be given to establishing a new Strategic Plan after the subcommittee reports to the Board.

B. & C. Mr. Moody noted Dr. Distin's resignation; and said a Certificate of Recognition from the Town Board will be prepared. Mr. Moody and Ms. Julian earlier discussed and sought to identify an optimal forum for presenting the award. Ms. Julian advised a luncheon setting would offer an advantageous social venue for Board members. Mr. Moody will extend the invitation to Dr. Distin. The months of April and May were suggested as times of greatest convenience for attendance after receipt of the award from the Town Board.

D. Mr. Moody presented for discussion potential recall of the SMS (formerly Spectra Products, LLC/Beautiful Streamer, LLC) loan due to job creation non-performance. The company structure has changed (two former principals are no longer employed at the

firm) and has been unresponsive to communication efforts on the status of the job creation of from the new principals. The company has met loan payment requirements. Mr. Moody believes such payments could, but are unlikely, to be jeopardized if the loan is called after his discussion with Mr. Aquinoi. The loan was \$140,000 and the balance is approximately \$83,000. Mr. Moody said the LDC has sought direction from the U.S. Department of Housing and Urban Development (HUD) on how to proceed with SMS and has not received a reply. Ms. Adams asked how many jobs are required to be created. Mr. Moody said seven jobs were required. SMS has not informed the LDC of any new jobs, and told Mr. Moody the company is unable to meet its job creation obligation. Mr. Leighton asked about security interests other than guarantees. Mr. Moody said the LDC holds second lien position on the 1634 Reynolds Road property and security interests on assignment of rents behind the primary lender. Ms. Julian asked Mr. Moody to review what the Board's June, 2015 call date actions would be if the job creation obligation was actually met. Mr. Moody said the Board would review the loan and financial data and perform a credit check. Ms. Adams asked what the total number of company employees is. Mr. Moody said there were sixteen employees when the loan was made. Mr. Corwin asked if the LDC has legal monitoring responsibilities after required jobs are created. Mr. Moody said monitoring is unnecessary after the loan recipient's three month performance period, although the LDC does send and request completion of semi-annual update forms.

Ms. Julian asked Board members if they had other questions. In the absence of further inquiries, she then requested a motion for the LDC Board to call the loan on SMS (formerly Spectra Products, LLC/Beautiful Streamer, LLC) due to insufficient job creation performance. The effective call date will be June 24, 2015. Mr. Moody will draft and send correspondence to SMS informing the company of the Board's action to call the loan via email and by letter, without stating the reason for the action. Mr. Moody will verbally convey the reason.

Motion: Gary Leighton  
Motion 2nd: Bob Corwin  
Motion: To approve action by the LDC Board to call the loan on SMS (formerly Spectra Products, LLC/Beautiful Streamer, LLC) due to insufficient job creation performance. The effective call date will be June 24, 2015.  
Vote: All yes, motion approved (5-yes, 1-absent, 1-vacancy).

E. Mr. Moody presented for discussion potential Board action regarding Magic Needle by Yvonne, due to job creation non-performance. The business has periodically provided documentation verifying contact with the Department of Labor in seeking to create the second of two required jobs. The original \$20,000 loan is now paid down to \$2,700. About one year remains to achieve full loan payment. Mr. Moody said, unlike SMS, Magic Needle has attempted and continues to try to meet its job creation obligation. Ms. Adams asked what happens if the business pays back the loan without fully meeting its job creation requirement. Mr. Moody said definition of such an outcome has yet to be determined by HUD. He suggested resolution of non-performance may be achieved by contacting the business to ask of job creation efforts, noting the loan may be called, gauging the business's response, and addressing the situation at the next Board meeting. Ms. Julian recommended that Mr. Moody convey to the principal the loan is up for review as the reason for outreach to the business. Mr. Corwin asked if revision of the job creation requirement

specific to the business, due to the LDC steadily receiving loan payments, may offer a solution. The Board's collective response was that such action would require HUD approval to deviate.

F. Ms. Julian referenced the next agenda topic. Mr. Moody said Piaker & Lyons, P.C. has begun compilation of the annual audit report. The report will be provided to the New York State Authority Budget Office (ABO). It is comprised of Annual, Audit, Procurement, and Investment sections. The town Comptroller's Office and the Economic Development Office are working together to identify and share the required financial data with the ABO.

G. Mr. Moody sought Board approval for use of UDAG funds to purchase Certificate of Welcome plaques for grand openings, ribbon-cutting ceremonies, and special event presentations to new town businesses. The prior use of CDBG funds to buy such plaques, which cost about \$12 each, has now been called into question. Therefore, consideration is being given to using UDAG monies, subject to check co-signing by an authorized Board member. Ms. Adams noted her previous observation of displayed certificates in local businesses, and the business owners' appreciation of recognition by the town. Ms. Julian requested a motion for Board approval of the Economic Development Office's/Local Development Corporation's use of UDAG funds to purchase Certificate of Welcome plaques.

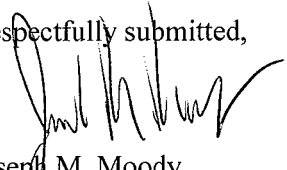
Motion: Jim Peduto  
Motion 2nd: Kay Adams  
Motion: To approve the Economic Development Office's/Local Development Corporation's use of UDAG funds to purchase Certificate of Welcome plaques.  
Vote: All yes, motion approved (5-yes, 1-absent, 1-vacancy).

## VII. OTHER BUSINESS

## VIII. ADJOURNMENT

A. There being no further business to come before the Board, Vice President Julian adjourned the meeting at 9:11 a.m.

Respectfully submitted,



Joseph M. Moody  
Director