

TOWN OF UNION
BROOME COUNTY, NEW YORK

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In the Matter of:

LDC Board Meeting

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December 16, 2021
3111 East Main Street
Endwell, New York 13760

APPEARANCES:

FOR THE LOCAL DEVELOPMENT CORPORATION

DIANE JULIAN
Vice President

GARY LEIGHTON

JAMES PEDUTO

JEFFREY L'AMOREAUX

TIMOTHY STRONG

ROSEMARIE POPE
LDC Board Attorney

RICHARD MATERESE
Town Supervisor

GINA MIDDLETON
Coughlin & Gerhart

JOSEPH MOODY
LDC Director

ROBIN SHIMER
Administrative Assistant

Digitally recorded proceeding,
Transcribed by: Elana Hulsey
Czerenda Court Reporting, P.O. Box 903, Binghamton, NY 13902

1 (On the record at 8:01 AM)

2 MS. JULIAN: We'll call the meeting to order. Our first
3 is the minutes of the November 18, 2021, regular LDC Board
4 Meeting. You all received them and hopefully reviewed them. Any
5 additions, corrections, or deletions? Hearing none, may I have
6 a motion to move forward with the minutes?

7 MR. STRONG: I so move. This is Tim.

8 MR. LEIGHTON: Gary, second.

9 MS. JULIAN: Okay. All those in favor of approval of the
10 November 18th minutes?

11 MULTIPLE VOICES: Aye.

12 MS. JULIAN: Okay. Thank you so much. Okay, we don't have
13 a president here, so I will just say from our house to yours,
14 we hope you have a safe, happy, and healthy holiday season and
15 a very merry Christmas.

16 MR. MOODY: Thank you, Diane. I'll just move into old
17 business if you don't mind. So old business, this was the
18 request from Southern Tier Cheesesteak Company. They're
19 actually Bada Bing Hospitality d/b/a Southern Tier Cheesesteak.
20 You'll recall last meeting they approached us with a \$20,000
21 Microenterprise Loan request. You should have the meeting
22 packet from the last meeting, but I included an updated
23 narrative and financial information that was provided by the
24 owner, Nick. There were a couple changes though that I want to
25 point out to you.

1 The overall project cost - I had a question mark by the
2 \$5,000 - he's not going to do the food truck purchase now as of
3 the moment until he gets his revenue going again if you will.
4 The working capital has been reduced to basically \$5,730. The
5 payoff of the unsecured loan with Knight Capital is \$6,770.
6 That's the latest. That should give us I believe a \$12,500
7 total project cost. Nick is requesting a \$10,000 loan at a
8 three-year amortization at 1.5% interest rate. The owner's
9 equity would be \$2,500, and our funding would be \$10,000.

10 Our funding would go to pay off the existing debt of
11 Knight Capital, which I think was rather expensive. According
12 to Nick, that's what's costing him a lot of his issues with
13 revenue if you will. So, the minimum participation for the
14 Microenterprise is 25% of the overall project cost, so we at
15 least meet that amount, and we would come in at 75% at the
16 \$10,000 figure. You had many questions the last time, and I
17 think there was a little confusion. I'll just reiterate again
18 with you that this is a bricks-and-mortar project. He's at 9
19 Washington Avenue currently in a leased space.

20 The food truck was an additional revenue source that he
21 had, but the food truck burned down or burned up, whatever, a
22 couple years ago. He hasn't been able to have that revenue
23 source, and that's one of the things he wanted to do when he
24 was asking for \$20,000. So, I just want to make you aware he
25 has a bricks-and-mortar building. He leases space on Washington

1 Avenue. The food truck was an additional. He brings it to sites
2 and events or whatever he does, so that is sort of out of the
3 equation right now, but the \$10,000, at our request, he
4 reconfigured supposedly his financial information based on the
5 \$10,000 request.

6 So, I'm going to throw it out there to the Board for
7 comments, questions, whatever you have on this one. He is an
8 established business. He's been established since 2010. He's
9 been at this location since just around onset of COVID, so it
10 was not good timing for him or for the business, but it is an
11 important business. Any business on Washington Avenue is
12 important, especially those that drive traffic to Washington
13 Avenue, especially in light of recent events.

14 Our Greater Binghamton Fund and our recent DRI
15 announcement that the Village of Endicott, which the Town was
16 very involved with, won the \$10 million DRI competition which
17 will go towards additional projects on Washington Avenue. So,
18 I'm throwing it out there, and please, questions? Comments?

19 MALE VOICE: Joe, I have a question to lead off. The one
20 question I have is it says the current lease expires at the end
21 of March of 2022. Do you happen to know if he has intentions of
22 staying there?

23 MR. MOODY: Yes. The last I heard, he has intentions of
24 staying there. That's the only way we can assist him, so he's
25 going to have to give us an updated lease - unfortunately for

1 the term of the loan - because that is what we require. Now
2 maybe he could do a two-year with a one-year option, something
3 like that, but traditionally, yes. We're going to have to see a
4 lease that would run concurrently with our term of the loan if
5 you will.

6 MALE VOICE: So that would be a condition? Right, Joe?

7 MR. MOODY: Correct.

8 MS. JULIAN: And who does he rent from, Joe?

9 MR. MOODY: He rents from Joey Digennaro, yeah. Unless
10 Joey happened to sell it the last time, which I don't think so.

11 MALE VOICE: Based on his income statement, Joe, when I
12 looked at that, it looks like things are picking up for him. He
13 gave us three prior months, which I think totaled \$119,000, and
14 he gave us one month, which I think might have been October or
15 the month of September, but one month totaled \$74,000. So, if
16 you extrapolate that \$74,000, it comes out to \$222,000 in a
17 quarter, which compares very favorably to the \$119,000 that he
18 did the previous quarter through September.

19 MR. MOODY: Yeah. I think things are picking up obviously,
20 but then we just have these recent events if you will, so I'm
21 not sure how that'll affect the restaurant industry sector.
22 Hopefully it won't, but it could. I think this is something
23 sort of out of the norm. We don't normally assist with paying
24 off an existing debt, but I think that's the whole reason for
25 this loan is to assist him in order to free up his cashflow and

1 to reduce his expenses. Normally we don't assist paying off
2 existing debt, so if you were to approve this, I'd recommend
3 that we do not use the CDBG funds and we use the UDAG funds.

4 He did provide proof that this will be a retention of two
5 jobs, and they are both low-to-moderate income jobs, so that
6 should fulfill the job creation requirement if you will. As a
7 matter of fact, he only has to create one low-to-moderate
8 income job based on the \$10,000 instead of the \$20,000 with the
9 Microenterprise Loan. I think we're okay along those lines as a
10 retention project but using UDAG funds. That would be my
11 recommendation instead of the CDBG.

12 MALE VOICE: What is this business close to on Washington
13 Avenue, Joe? I assume 9 is more towards Huron, right?

14 MR. MOODY: Yeah. It's very close to Huron. I think that
15 was part of the attractiveness of that location, plus it's not
16 a big restaurant. It's a very narrow restaurant, and it
17 actually fits his business well because people come in, grab
18 the steak, and move on out, or whatever they grab there. So,
19 it's good being on that end. Like I said, if he was closer to
20 the UE High School, I think his prices would have to be a lot
21 different because it's not cheap. His steaks are not cheap. It
22 doesn't attract the students if you will, so it's good that
23 he's on the other end, on the Huron Campus end.

24 Obviously recent events with Ubiquity moving in there,
25 Imperium3, and other businesses that the Phoenix

1 Investors/Huron Campus are trying to attract, I think it's a
2 good location for him. I think he has a good product. I've
3 visited there and ate there a few times.

4 MALE VOICE: Joe, can we control the payoff where we make
5 the payment to Knight Financing for him, so we know that's
6 where it's going?

7 MR. MOODY: I think we have to in this case definitely.
8 I'll have to defer that to Rose. I believe our checks are
9 always made out to the loan recipient, so I'm not sure how. I'd
10 have to defer that to Legal to see how we can do that. Rose?

11 MALE VOICE: Possibly you just have to make it out to both
12 of them I would think.

13 MALE VOICE: Put both names in there, and you're good to
14 go.

15 MS. POPE: If that works with your rules, Joe, yes. It has
16 to go directly to payoff. It cannot go to the recipient.

17 MR. MOODY: Yeah. Right, but what about the name on the
18 check? I mean, I can't put Knight Capital on that check. It
19 would have to have the-

20 MS. POPE: Can you put both? Can you put his name or the
21 company's name and Knight Capital?

22 MR. MOODY: I think we can do that. I think we'd have
23 flexibility with the UDAG account, yeah.

24 MS. POPE: That way you're covered.

25 MR. MOODY: Yes.

1 MALE VOICE: The other question I have, Joe, is are you
2 confident that he's not going to turn around and re-up at
3 Knight Capital and then go buy the food truck back? So, the
4 theory is we're helping him get out of this high-interest-rate
5 debt, but we're not giving him everything he's asking for. Does
6 he go right back to the place that also lent to him before
7 after we do ours and re-up to then get the food truck? That's
8 my concern because I've seen some of these types of things
9 before.

10 MR. MOODY: Yeah. I would have a concern with that also. I
11 have not addressed that with him, but I certainly think that if
12 the LDC Board was to approve this, that would have to be a
13 conversation I would have to have with him directly prior to
14 issuing any commitment letter indicating that is what the
15 intent is, and the intent is not for him to take on additional
16 debt to do the food truck. It's to really assist him get
17 through this difficult time and paying off this high-interest-
18 rate debt.

19 Confidence, I can't say that I have a lot of confidence.
20 I can say that I'm confident I'll have that discussion with
21 him.

22 MALE VOICE: Yeah. I'd like someone to have that
23 conversation with him because we're trying to help him get into
24 a better financial position. That's where I see we come in
25 here, and he's not doing that if he's going to re-up and have

1 another high-interest-rate loan that's going to be taking all
2 his money and that's cutting into his income.

3 MR. MOODY: Yeah. I will definitely have that conversation
4 if you were to approve it.

5 MS. JULIAN: And perhaps [crosstalk].

6 MALE VOICE: I don't think we can condition that. Right,
7 Joe?

8 MR. MOODY: I can't condition that. I'm sure I can't do
9 that, Rose Pope, but I think that if I came across that the
10 Board's gone outside their normal assisting businesses with
11 paying off this debt - that's not normally what we do, but we
12 understand his business is important to the area - and we also
13 understand that we don't want him to take on additional debt
14 with Knight Capital. That will defeat the entire purpose of why
15 we're assisting him. I think I could frame it that he
16 understands but not require that. I mean, I can't require that
17 I'm pretty sure.

18 MR. PEDUTO: We're almost in this role. We're like a
19 financial institution. Can we include a covenant in terms of
20 debt covenant?

21 MR. MOODY: Rose?

22 MS. POPE: I'm thinking. Hold on. You can't see me, but
23 I'm thinking.

24 MALE VOICE: I agree with Jim. We're providing financing
25 under these conditions, but if he goes out and you can't think

1 of all the parties he can get money from, including credit card
2 companies. I mean, it seems like if any of us were to do this
3 in business, you'd have covenants that you can't violate. Why
4 is this any different?

5 MS. POPE: Joe, don't we put that in there in all of our
6 commitment letters, that they can't get any financing without-

7 MR. MOODY: Yes. That is correct. We do have that in
8 there, but do you want to be stronger with that? Can we be
9 stronger with that?

10 MS. POPE: Oh, no. No, I understand. So conceptually, we
11 already do that. We just need to make it, as you say, stronger
12 in this instance.

13 MR. MOODY: Yes.

14 MS. POPE: Yeah. Yes, absolutely we can put that in there.
15 I mean, if he has an attorney that wants to fight it, then they
16 can fight it out with me, but I say we do that. If I could just
17 go back to the payoff check for a second, how that would work
18 is it's made payable to him or the company and Knight, and then
19 he would endorse it at closing, and I would send it out to
20 Knight Capital, not Mr. Terzella, and we control that-

21 MR. MOODY: Okay. So payable... I'm sorry, Rose, I
22 interrupted you. Go ahead.

23 MR. LEIGHTON: She's saying make it payable to the
24 borrower, and then at closing they'll endorse it over Knight
25 Capital.

1 MS. POPE: Yeah. About that though, Gary, a lot of times
2 they don't want that, lending institutions. So, if we make it
3 payable to both of them, that one might fly. I have this
4 trouble a lot with payoffs.

5 MR. MOODY: All right. So payable to both of them, but
6 then you send in the check.

7 MS. POPE: Right. So, we'll have a closing with him or
8 whatever. He's there. He endorses the check, and then I send
9 the endorsed check along with the payoff statement to Knight
10 Capital along with a letter. That way, you don't hand it to him
11 and maybe it doesn't go out for a while. We never put that on
12 the borrower to take care of.

13 MALE VOICE: I think I feel better about that route.
14 Obviously with his credit score, that's my biggest concern. I
15 do think, Joe, if we can help him out, it's important that we
16 do that, but we just protect him from doing the same thing over
17 again and obviously in the same case, protecting ourselves.

18 MR. MOODY: Yep. Okay.

19 MS. JULIAN: And maybe we can encourage him to use what he
20 has, and we can revisit maybe later on if he has more financial
21 needs.

22 MALE VOICE: And that's exactly what I was thinking,
23 Diane, as well. Joe, in your conversation with him maybe
24 mention future opportunities to come back, if things turn
25 around to come back to us. Obviously, he wants to stay. He

1 wants to follow what we're asking, so in the conversation you
2 have with him, if he comes back again, he's going to be in a
3 better light.

4 MR. MOODY: Yeah. No doubt. I think he'd come back,
5 especially when we roll out the ARPA grant programs.

6 MALE VOICE: I just want to make sure that I understand
7 it. Will we have the ability to call this if he incurs other
8 financing?

9 MR. MOODY: I think if he wants to incur other financing,
10 he has to come to us to approve it. So, if we don't approve it,
11 yeah, I think we got to put in there that we can call it if he
12 actually also gets other financing. Rose, what do you think?

13 MS. POPE: Yeah. You can do that, Joe. That's what I was
14 going to say, if any of that happens with him getting financing
15 with something like Knight Capital, then we have that in there.
16 We just call the loan. It's in default.

17 MR. MOODY: Yeah. I mean, I think it shows great effort
18 and our desire to assist businesses and desire to assist him.
19 We're going out there for him, so I hope he returns that and
20 doesn't take on that additional debt.

21 MALE VOICE: We've alluded a bunch of times to the fact
22 that his credit is less than ideal. I noticed he's got a
23 baseball card collection. Since we're clearly scraping the
24 bottom of the barrel here, what is the baseball collection
25 worth? Did he put a value on it?

1 MR. MOODY: Well, let's put it this way. I asked him
2 because now we could have a second position on the company
3 assets but not a first because GHS has a first. So, he still
4 said he's offering us the position on all the baseball
5 collection, all that. I have no problem doing that. I don't
6 know how we do it.

7 MALE VOICE: Get a list of the cards and what they're
8 valued at.

9 MR. MOODY: Rose Pope?

10 MALE VOICE: It may be the only thing we wind up with. Tim
11 said he wanted a whole bunch of cards in his office.

12 MS. POPE: There you go.

13 MR. STRONG: I've got a whole bunch in my basement at home
14 that I'm going to retire with.

15 MR. MOODY: So, what you're saying is he retains
16 possession of these, but we have a lien on them?

17 MALE VOICE: We have a lien, just get a list of what those
18 are and what they're valued at.

19 MS. POPE: We can actually put that in the UCC. I know it
20 changes, a collection changes though.

21 MR. MOODY: The value does.

22 MS. JULIAN: Is there anything to stop him from changing
23 it, and how to we get the valuation on it?

24 MR. PEDUTO: You're just going to have to take his word.
25 But I mean, if he says it's worth \$2,000 and he gives you a

1 list of 300 cards, at least it's a list of something to start
2 with.

3 MR. MOODY: Yeah. I agree. Go ahead. I'm sorry, Rose. Go
4 ahead.

5 MS. POPE: It's okay.

6 MR. MOODY: No, you go.

7 MS. POPE: No, go ahead. I was just going to say it says
8 sports autographs, so it might be more than cards, but anyway
9 if he gives us a list.

10 MR. STRONG: I could use a jersey on my wall too.

11 MR. PEDUTO: That would look even better in the office.

12 MS. POPE: Tim's going to be shopping. His wish list.

13 You're right, Jim, we should have that.

14 MR. MOODY: All right. I will tell you this much. Nobody
15 can say that the LDC is not doing their due diligence on this,
16 so it's very good. I agree with you. So, we'll have that.

17 MR. PEDUTO: I'm not trying to be difficult. This is just
18 this is such a bad loan.

19 MR. MOODY: No, I understand.

20 MR. PEDUTO: It's far from being collateralized.

21 MR. MOODY: Yes. We will throw that in there. So, I guess
22 the question is... Diane, do you want to pose the question?

23 MS. JULIAN: We're going to need a motion.

24 MR. MOODY: A motion, yeah. So, it'd be approving a
25 \$10,000 Microenterprise UDAG loan to Bada Bing Hospitality, LLC

1 d/b/a Southern Tier Cheesesteak Company if you will, based on a
2 first position lien on the sports memorabilia, for a list
3 that's going to be provided.

4 Are we going to take a second position also on the
5 business assets? Yes. Then a three-year term at 1.5%, with the
6 emphasis that he is not to take on any additional debt,
7 especially the high-interest-rate debts, without our approval.
8 That's normally in our commitment letter, but we'll also
9 strengthen that wording per my discussion with Rose after we
10 get off the meeting.

11 MS. JULIAN: Okay. Everyone comfortable with that motion?

12 MR. MOODY: And his personal guarantee. I didn't get into
13 all the details, but you know. Okay.

14 MS. JULIAN: So, is everyone prepared to vote?

15 MULTIPLE VOICES: Yeah.

16 MS. JULIAN: That's the motion on the table then. So,
17 we'll need a first and second.

18 MR. PEDUTO: This is Jim. I will move everything that Joe
19 said.

20 MR. STRONG: I'll second. This is Tim.

21 MS. JULIAN: Okay. Thank you, Tim. Everyone prepared to
22 vote? Those in favor say aye.

23 MULTIPLE VOICES: Aye.

24 MS. JULIAN: Opposed? Abstentions? Motion carried.

25 MR. MOODY: Okay. Thank you all. Appreciate that. So,

1 moving on under other business, Sonostics's pending business
2 relocation from their original location at 204 Washington
3 Avenue, Endicott, New York to 111 Grant Avenue, Endicott, New
4 York in leased space. They lease space from Justin Marchuska
5 now, and they're going to be leasing space at 111 Grant Avenue.
6 You see the email that that Ken McLeod had sent. He sent it the
7 same time he sent the email about the one-week deferment on his
8 December payment, which I'm happy to say that went a little bit
9 past a week, but I did do the withdraw I think two days later,
10 per his indicating that there are funds available. So that has
11 taken place, and now we're back on track hopefully for the
12 regular January 1st payment.

13 I'm not positive as of right now if he got that
14 investment from that Chinese investor as of yet, but that's
15 what was the holdup if you recall on this. So, the reason why
16 I'm bringing up this relocation is because in our loan
17 documents and our commitment letter it indicates that, if
18 somebody moves outside the location we approve it for, it needs
19 LDC Board's approval in order to maintain the loan in good
20 standing. So even though he's moving two blocks away, it does
21 need LDC Board approval that you're accepting of that. You
22 understand that the new location is still in the Endicott
23 iDistrict, the Washington Avenue Central Business District, so
24 it's not on the Avenue, but it's right off the Avenue by one
25 block.

1 Apparently, the building he's in - just to let you know -
2 is sort of forcing him to move to another location because they
3 have a tenant that's going to be taking the entire building up
4 and a very good tenant, which will bring a number of jobs to
5 Washington Avenue. I'm okay with this. Currently you should
6 know, they're all working out of their house because of COVID,
7 but apparently he has got an agreement to move into 111 Grant.
8 I have not seen the lease as of yet, but if you want to approve
9 it based on the receipt of the lease, that's fine.

10 MR. PEDUTO: Hey, Joe.

11 MR. MOODY: Yes?

12 MR. PEDUTO: Perhaps I got up on the wrong side of the
13 bed. Just correct me, but it seems like this is exactly what we
14 would hope for, right? We provided him funding. We worked with
15 him in a bunch of different steps to get him through. He's
16 getting \$10 million of funding. Why isn't our loan being paid
17 off?

18 MR. MOODY: I have not requested that. He has not offered
19 that. If you want me to go back, we could certainly say that to
20 him.

21 MR. PEDUTO: I mean, I'm just wondering. I mean, I don't
22 if anybody else shares the sentiment, but it seems like we did
23 everything to put him in a position to really take a great next
24 step that should be wonderful for his business and hopefully
25 for the community. It just seems like at this point, now that

1 he's reached that inflection point, normally when a business is
2 sold, usually you're delivering a business debt free. Why
3 aren't we included in that? Just a question. I don't know if
4 anybody else shares the sentiment or not, but it seems like if
5 there was a time to get paid, this would be it.

6 MALE VOICE: That's a good question, Jim.

7 MS. JULIAN: And there's a balance of \$90,000?

8 MALE VOICE: About \$90,000.

9 MS. JULIAN: Yeah, so it's definitely worth asking.

10 MALE VOICE: Have you seen the conditions of that \$10
11 million funding?

12 MR. MOODY: No, I've seen nothing on the \$10 million
13 funding, nor have I requested it, but I could certainly go
14 back.

15 MALE VOICE: Usually funding is funding. There's no debt
16 associated with it, but it should cover probably all existing
17 debt I would imagine.

18 MR. MOODY: Rose, I want to make sure before I go back to
19 Ken, because he's just notifying us of the move, can we hold up
20 the approval of the move based on him paying us off on our
21 existing debt? I guess that's a question I have. Or are they
22 two separate questions or motions?

23 MR. LEIGHTON: [crosstalk].

24 MS. POPE: I didn't hear that, Gary.

25 MR. LEIGHTON: I said I would like to look at it

1 separately, but I don't know how everybody else feels.

2 MS. POPE: I don't know that there's anything in our
3 commitment letter or any terms we have that say if you get
4 additional funding, you have to pay us off. I don't see that.
5 We don't have that anywhere. I mean, I think, Joe, you're
6 right. You could ask him and just say, "Well, this question
7 came up at the Board meeting after talking about your request
8 to delay payment. Can any of this funding be used to pay off
9 the LDC loan?"

10 MR. MOODY: Yeah. I can do that. So, I think then the
11 motion would be we recognize that he's moving to 111 Grant from
12 Washington Avenue and we're accepting of that. Then a separate
13 side note, you would like me to have that conversation with
14 him. Not hold this up, but have that conversation with Ken
15 McLeod indicating, "Can you give me the terms of the \$10
16 million?" I think that's something that we can request because
17 it is an investment in his company.

18 Then share the Board's desire that we've assisted him all
19 along the way, we've helped him deferments - several deferments
20 if you will - and we've helped him when others would not help
21 him with a loan for this business, and we're wondering is that
22 something he's willing to do, is pay us off after he gets the
23 investment from the Chinese investors. I don't know what the
24 strings are that are attached to that \$10 million investment,
25 but we could see what he says. Is that what you want me to do?

1 MALE VOICE: I'd say yes.

2 MS. JULIAN: Yeah.

3 MR. PEDUTO: My understanding is, correct me, do we have
4 an affirmative obligation to approve the move?

5 MR. MOODY: The wording, I don't have it in front of me
6 right now. The wording is something along the lines of if you
7 relocate any of the equipment or the business outside the Town
8 of Union, the LDC Board has to... Well, first of all, if it was
9 outside of the Town of Union, we'd probably call the loan, but
10 if you relocate the assets, the business, the Town of Union LDC
11 has to approve that relocation. I'm using the word relocation,
12 but I'm sure it's not worded like that.

13 MR. PEDUTO: Is there recourse if he moves without
14 approval?

15 MR. MOODY: I think we probably have recourse, yes. Rose?

16 MR. PEDUTO: So, what if we say to him, maybe on the
17 approval, but what's your thought about paying us off? Our
18 maximum leverages is the approval. I'm not trying to squeeze
19 the guy. It just seems like we've been pretty good to him. We
20 ought to get something here. Maybe I'm the only one. I mean,
21 we've loaned a lot of money to him, and we've been super
22 cooperative and supportive in every way.

23 MR. MOODY: I do agree with you. I do agree with you.

24 MS. JULIAN: Unless there's strings on this \$10 million,
25 that it's earmarked for something other than paying off, I see

1 no issue with going to him and saying, "Why can't any of this
2 be used?" I mean, the Town helped him get started up. He pays
3 it back, and then the LDC can use that for helping someone else
4 to get started if he's got funds to do it. But if those funds
5 have tight restrictions on them and he can't do it, then I
6 think you have to decide whether you're okay with the move,
7 with him not being able to pay it off.

8 MALE VOICE: I'm assuming the investors have some kind of
9 strings attached to what he can and can't do with it, which I
10 get, but on the flip side to everyone's point, to Jim's point
11 especially, if we're bending over backwards for the guy, going
12 forward if he's not making payments and stuff, then I think we
13 look to call the loan and let him know that ahead of time. You
14 got this funding. If you don't have access to it, we're okay
15 with it, but moving forward we can't have this rosy bend-over-
16 backwards-for-you approach.

17 MR. MOODY: Okay. So what we're doing then, it sounds
18 like-

19 MR. PEDUTO: Was there any change in control with the \$10
20 million. I can't believe that they're giving him \$10 million
21 and it isn't for some piece of the business.

22 MR. MOODY: Jim, it wasn't our intent to get that
23 information. It was just the transfer. So, we can get that
24 information. What we can do is we can table this-

25 MR. PEDUTO: To me, it changes the underlying conditions

1 of the loan.

2 MR. MOODY: Then why don't we just table this and I gather
3 more information, since they're all working out of their homes
4 right now anyways. First of all, I need to see a copy of the
5 lease too. So, a copy of the lease, what are the terms of this
6 \$10 million, and can you pay off the LDC after we, for lack of
7 better terms, bent over backwards over the years to assist him?
8 Is he willing to pay us off, so we can assist other businesses
9 like his in the near future?

10 MR. LEIGHTON: And double-check the requirements about
11 moving in or out of the town. I sort of suspect that you don't
12 have a leg to stand on if he's staying in the town, but I think
13 that's the way that's worded.

14 MR. MOODY: Yeah. It's similar to that. It's more of you
15 notify us, but I think these are all valid questions. We can
16 bring it up before we make any official motion, even if we need
17 that, recognizing the move.

18 MR. LEIGHTON: Notifying and approval are two different
19 things. I just want to make sure that you're looking at it
20 right in relationship to the-

21 MR. MOODY: I have to look at the commitment letter,
22 what's indicated in the commitment letter, and I'm sure that's
23 also in our loan documents, Rose.

24 MS. JULIAN: I think we need time to review.

25 MS. POPE: I'm sorry, Joe. What was that?

1 MR. MOODY: Gary mentioned about approval and notifying us
2 are two different things. I agree, but I'm sure there's wording
3 in our commitment letter. I know that, and I'm sure there's
4 wording in our loan documents that if he's to move outside the
5 town, and I'm not sure about inside the town, that the loan can
6 be called. I'm pretty sure it's in there, so I think we just
7 need additional time, like Diane indicated, to gather
8 information, and that's what I could do. I could go back and do
9 that, so no motion is needed now. It's pending further
10 information.

11 MALE VOICE: I just want to make sure... Sorry, I
12 understand and I won't drag this out, but I think Jim raises a
13 good point which is, what is the purpose of the LDC in helping
14 any business for any purpose, and at what point was our initial
15 relationship with Sonostics kind of fulfilled. We got them to
16 where they were getting, and what is our purpose at this point?
17 What purpose do we continue to serve for them?

18 Because I do think if there's a change in the business,
19 then we would reevaluate what our role is with that business,
20 and that's a bigger conversation in my opinion than what is
21 right now happening, than needs to happen right now.

22 MALE VOICE: Agreed.

23 MALE VOICE: I agree. That's pretty sound.

24 MR. MOODY: Sounds good.

25 MS. JULIAN: [inaudible].

1 MR. MOODY: We will do it, okay.

2 MS. JULIAN: All right.

3 MR. MOODY: It's not my first dance.

4 MALE VOICE: Diane, this will teach you to step in.

5 MS. JULIAN: Always at the annual meeting too.

6 MR. MOODY: He always seems to get out of these.

7 MALE VOICE: The last time our leader wasn't here for one
8 of these meetings, we had a coup.

9 MR. MOODY: Yeah. That's true. That's true.

10 MS. JULIAN: Okay. So, it looks like we're concluding our
11 regular meeting.

12 MR. MOODY: No, can I just bring up a few other things.
13 Just to let you know, under other business, you all should be
14 aware that Endicott won the \$10 million DRI. Again, my office
15 very actively involved and came up with most of the projects
16 for that DRI, but we'll be accepting probably additional DRI
17 projects down the road. That's based on New York State and the
18 consultant that's hired to work with Endicott and work with us
19 with the DRI.

20 MALE VOICE: Is the consultant presently hired?

21 MR. MOODY: I think it may be hired. I don't know who it
22 is as of right now. I think this is the same consultant that
23 has helped New York State DOS with other DRIs, but I haven't
24 heard the name as of yet. But we've got projects, and we
25 [crosstalk]. Go ahead, Jim.

1 MR. PEDUTO: Is the full \$10 million allocated?

2 MR. MOODY: Let me explain. Okay, no, it's not, but it
3 could... Well, I shouldn't say that. None of it is allocated as
4 of yet. We have projects that were submitted that probably add
5 up to more than \$10 million, but there's a process. Actually,
6 the DRI is almost a 15-step process, and getting approved for
7 the funds I think was step two. Okay, so you can tell there's a
8 lot of steps in there, and we're going to have a kickoff
9 meeting, the Village of Endicott, my office, New York State
10 DOS, and the consultant mid-January, end of January, to hear
11 what the parameters are of the program and what the next steps
12 are.

13 What I've been told is there's to be an open call for
14 applications, but we can't take them yet. Okay, New York State
15 told us we cannot take additional applications yet until the
16 consultant sits and works with us to come up with what the
17 parameters of the program will be, what the form will be for
18 projects to submit additional requests for funding.

19 Now just because we submitted applications for funding,
20 private sector and public sector projects, the State does not
21 have to approve any of those. They're still going to be vetted
22 by the State. So, all the projects we submitted, although some
23 may be better than others, the State may say, "Yeah, that's all
24 good, but no, we're going to have an open call for all new
25 applications because we've vetted them and for one reason or

1 another, we don't think they're feasible or whatever." That
2 could happen, and some of the those that submitted applications
3 may have requested more than what the State is willing to help.

4 The State usually doesn't like to do - this is me saying
5 - more than 20% into a project. Some of these businesses may
6 have requested 30-40%. That's not going to probably happen. It
7 probably won't go more than maximum 20%. This is me talking.
8 This is not that I've heard any of this from anybody else. Over
9 the years of my working with these grants, that's probably the
10 maximum.

11 So, to answer your question Jim, yes you could submit
12 projects as long as the State says that we can submit. Yes,
13 we're looking forward to seeing more projects, and we think the
14 announcement will bring a lot more projects to the Avenue.
15 We're excited about hearing what other people may bring, so
16 just stay tuned. We can't be soliciting those now. That was
17 directly from the State to my office. We shouldn't be
18 soliciting these projects right now because there is a chance
19 the State could say, "Nope, we're not taking any more
20 projects." But that's the intent, so stay tuned, and I think
21 we'll go more in January.

22 So, it sounds like you want to submit something. I'm
23 excited to see what you want to submit.

24 MR. PEDUTO: You just piqued my curiosity because I know
25 that there's multiple steps and I wasn't really clear where we

1 were in all those steps. It's just a labyrinth.

2 MR. MOODY: Yeah. We're here and we got to get here, let's
3 put it that way, but thank you for asking. So anyway, that was
4 good news. Also, some other good news is that the CFA grant
5 awards were just announced the other day. The Town of Union won
6 a \$100,000 CFA grant for a new comprehensive plan. We have not
7 done a comprehensive plan in over 10 years, and that
8 encompasses the entire Town of Union, Village of Endicott,
9 Village of Johnson City. It's needed because of all the zoning
10 changes, zoning variances we've had over the years.

11 I'll let Rick comment on this. I believe a consultant
12 will be hired. It's not going to be done in-house, hence the
13 reason we requested \$100,000 grant to do the comprehensive
14 plan. I'll let Rick comment in a second. Also, we received a
15 CFA grant for a New York State Brownfield Opportunity Area for
16 the Village of Endicott area. It's something that I was pushing
17 for years ago when the county identified Brownfield Opportunity
18 Areas, but they thought at the time that there was a lot of
19 emphasis with the IBM plume if you will.

20 They didn't think that additional attention was needed
21 down there, but after discussion with New York State Department
22 of State, they disagreed. We submitted an application
23 thankfully, and we were approved for a \$300,000 BOA grant for
24 that area, so that's very good news. Now Rick, I don't know if
25 you want to comment on the comprehensive plan or not.

1 MR. MATERESE: The only thing I want to say is the first
2 thing we need to do is get a new Planning Director. Once we get
3 the new Planning Director, we'll have a lot more to say about
4 this. We're sort of stuck in the middle here. Without someone
5 to take point on this, we're kind of stuck, so our first goal
6 was to get a new Planning Director.

7 MR. MOODY: So, let me elaborate on that. I did not
8 mention that to the LDC Board at the last meeting, and I don't
9 think you're aware of this. We've had Sara. You've all met with
10 Sara before.

11 MR. MATERESE: Sara was great.

12 MR. MOODY: Yeah. Sara left, and we hired Margaret
13 Scarinzi. She was also very well versed in economic development
14 and government, but she decided to move on after a few months
15 for a number of reasons which I don't have to get into. We are
16 now currently looking for a new Planning Director or some
17 combination of a Planning Director and other assistance for the
18 Planning and Community Development Department. Is that right,
19 Rick?

20 MR. MATERESE: Yeah. Pretty much. We've realized finally
21 that the job that Sara held was way too big for one person, so
22 we're trying to split that up and create two positions and how
23 we go about that. Or if we even just get a consultant in to run
24 part of the position, we'll do that. Right now, Sara has
25 volunteered to guide us through the end of the year as a

1 consultant for us, and then we have to move from there. She's
2 got a full-time job at another place. She's just dedicated to
3 the Town, so she's helped us out.

4 MR. MOODY: So anyways, all good news except for the
5 position. Hopefully, that'll be good news soon. Anyway, that's
6 all I really had to say about that, so if we want to adjourn
7 the meeting now, we need a motion.

8 MS. JULIAN: We need a motion to adjourn, please.

9 MR. L'AMOREAUX: So moved. Jeff.

10 MR. LEIGHTON: Second. Gary.

11 MS. JULIAN: Okay. All those in favor?

12 MR. MATERESE: I would just like to thank everybody for
13 their continued work for the Town of Union. I really appreciate
14 it. I wish you all a merry Christmas, happy holidays, and
15 again, just thanks very much. We'll see you the new year.

16 MS. JULIAN: Thank you so much.

17 MS. JULIAN: Okay. All those in favor say aye.

18 MULTIPLE VOICES: Aye.

19 MS. JULIAN: Okay. Thank you.

20 MR. MOODY: Okay. So, I'm going to keep the recording
21 going. That ends our regular meeting. Now we get to go into our
22 Annual Meeting.


23 (MEETING ADJOURNED 8:46 AM)

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C E R T I F I C A T E

I, Elana Hulsey, certify that the foregoing transcript of proceedings in the Town of Union's Local Development Corporation Regular Board Meeting, December 16, 2021, Broome County, State of New York, was prepared using digital transcription software and is a true and accurate record of the proceedings.

Signature: 

Date: January 17, 2022