

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

THURSDAY, NOVEMBER 19, 2015

The Town of Union Local Development Corporation met for its regular meeting on Thursday, November 19, 2015 at the Town of Union Office Building, located at 3111 East Main Street, Endwell, NY 13760

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

- I. **MEMBERS PRESENT:** Stephen Trichka, Diane Julian, Robert Corwin, Gary Leighton, Kay Adams, James Peduto, David Roth
- MEMBERS ABSENT:** None
- OTHERS PRESENT:** Rose Pope (LDC Counsel)
- STAFF PRESENT:** Joseph Moody (LDC Director), Robin Shimer (Admin. Asst.)

II. APPROVAL OF THE MINUTES

Minutes of the Regular LDC Board Meeting of October 22, 2015 were reviewed and approved, as written.

- Motion: Diane Julian
- Motion 2nd: James Peduto
- Motion: To approve the minutes of the Regular LDC Board Meeting held on October 22, 2015 as written.
- Vote: All yes, motion approved (6-yes, 0-absent, 1-vacancy).

III. PRESIDENT'S REMARKS

- A. President Trichka shared his customary upbeat welcoming comments.

IV. DIRECTOR'S REMARKS

- A. Director Moody duly noted the anticipated topics of Board discussion.

V. OLD BUSINESS

- A. Mr. Moody initiated discussion about RSpoor Enterprises, LLC and potential loan delinquency action by the Board. He said the November 1, 2015 loan payment date previously agreed upon with Mr. Spoor was unmet. Mr. Spoor told Mr. Moody his financial situation is bleak, and suggested that his attorney be contacted about LDC interest in seeking remedy. Mr. Moody noted the LDC's third position on Mr. Spoor's building. Counselor Pope noted Mr. Spoor is in personal bankruptcy. Mr. Moody said the LDC is owed three months of late payments. After thorough Board discussion, it was decided the Board is showing good faith recovery effort via the LDC's pending December 20, 2015 notice of court appearance to maintain its third position. Counsel Pope will provide Mr. Moody with the applicable documentation.

VI. NEW BUSINESS

A. Director Moody referenced the request by John Seliga of Renaissance Realty & Management, LLC for a Site Preparation loan in an amount not to exceed fifty thousand dollars (\$50,000) to be paid back over a five (5) year term at a fixed interest rate of 3%. The purpose of the loan is to demolish the slums and blighted building located at 101 Odell Avenue (a/k/a the old Tedeschi's Market) in the Little Italy Cultural and Business District in Endicott, New York to create an expanded outdoor venue for Antonio's Bar & Trattoria located at 100 Oak Hill Avenue, and also for a future outdoor use for a yet to be determined tenant. Mr. Moody said the Community Development & Planning Department Director suggested a third quote be sought for the project. In response to Mr. Peduto's inquiry about Mr. Seliga's acceptance of applicability of prevailing wage to the project, Mr. Moody affirmed Mr. Seliga was advised of -- and thereafter verbally shared with All Around Excavating -- inclusion of a prevailing wage rate clause in the CDBG-financed project. Mr. Moody said if project cost is extensively increased due to prevailing wage, a potential option would be reluctant use of UDAG funds. Mr. Trichka sought verification there would be documented inclusion of a prevailing wage rate clause (and thereby required payment of prevailing wage by the contractor) in the contract between Mr. Seliga and All Around Excavating. Mr. Moody verified such language would be part of the contract. Mr. Corwin asked if there is historical reference and knowledge about All Around Excavating. The Board then sought to enter executive session. Mr. Trichka requested a motion to enter executive session.

Motion: Kay Adams
Motion 2nd: Jim Peduto
Motion: To enter into Executive Session at 8:16 a.m.
Vote: All yes, motion approved [6-yes, 0-absent, 1-vacancy]

Motion: Gary Leighton
Motion 2nd: Diane Julian
Motion: To exit from Executive Session at 8:23 a.m.
Vote: All yes, motion approved [6-yes, 0-absent, 1-vacancy]

Mr. Trichka asked for review of the financial terms and conditions of the proposed loan to Renaissance Realty & Management, LLC. Mr. Moody said the Site Preparation loan would be for an amount up to \$50,000 or up to 90% of project cost (whichever is less), to be paid back over a 5 year term at an interest rate of 3 percent with no call, and 10% cash equity. The LDC will have first lien position. There is property insurance coverage, life insurance on Mr. Seliga, and a personal guarantee by Mr. Seliga. Ms. Adams asked about proper disposal of the demolished property. Mr. Moody said the LDC would be informed of the Village of Endicott's issuance of a demolition permit and related documentation affirming adherence to village requirements. The LDC loan is therefore conditional on the recipient's meeting village specifications. Ms. Julian advised it would be conducive for the LDC to remain in close contact with the village. Mr. Trichka then requested a motion to approve the loan under the aforementioned stipulations.

Motion: Jim Peduto
Motion 2nd: Kay Adams
Motion: To approve a Site Preparation Loan to Renaissance Realty & Management, LLC. (John Seliga) in an amount not to exceed fifty thousand dollars or 90% of the project cost (whichever is less), to be paid back over a five (5) year term at a fixed interest rate of 3% with

no call, to be used to demolish the slums and blighted building located at 101 Odell Avenue (a/k/a the old Tedeschi's Market) in the Little Italy Cultural and Business District in Endicott, New York to create an expanded outdoor venue for Antonio's Bar & Trattoria located at 100 Oak Hill Avenue, and also for a future outdoor use for a yet to be determined tenant. Additional stipulations of the loan approval are as follows: (1) There is to be documented inclusion of a prevailing wage rate clause (and thereby payment of prevailing wage by the contractor) in the contract between Mr. Renaissance Realty & Management, LLC./Seliga and All Around Excavating, (2) the LDC is to hold first lien position, (3) there is 10% cash equity by the loan recipient, (4) property insurance coverage, (5) life insurance on Mr. Seliga, and (6) a personal guarantee by Mr. Seliga. The LDC loan is also conditional upon the loan recipient meeting Village of Endicott terms, including (7) being granted a demolition permit and other requisite documentation affirming adherence to village requirements.

Vote: All yes, motion approved [5-yes, 1-Abstain (Ms. Julian) 0-absent, 1-vacancy]

B. The Board then preliminarily discussed an anticipated loan request by Timothy Connolly of Connolly Plaza to upgrade the plaza at 2719-2725 East Main Street, Endwell via a Commercial Facade Loan in an amount not to exceed \$50,000. The loan request by Mr. Connolly will likely be presented at the LDC Board's December 17, 2015 meeting. The Board noted Mr. Connolly's prior work in upgrading town facilities.

C. Mr. Moody shared that Councilman Mack would be meeting with IEDC Subcommittee members Adams and Peduto following the LDC meeting to further discuss their recommendations.

VII. OTHER BUSINESS

A. Mr. Mr. Moody presented for discussion the pending loan payoff by Magic Needle by Yvonne due to non-creation of required jobs. Mr. Benjamin of Magic Needle has yet to provide final payment. Mr. Roth inquired about the current balance of the loan. Mr. Leighton asked about the length of the remaining payoff period. Mr. Moody said he attempt to have a final discussion with Mr. Benjamin. The Board then collectively expressed support for sending Magic Needle a letter crafted by Counsel Pope if Mr. Benjamin does not submit payment as previously agreed.

B. Mr. Moody shared that Councilman Mack would be meeting with IEDC Subcommittee members Adams and Peduto after the LDC meeting to discuss their recommendations.

C. Mr. Moody referenced his communication with the Community Development and Planning Department Director Nelson about use of CDBG funds to purchase brochures. Mr. Moody prefers to use CDBG funds, via budget transfer/modification. Mr. Nelson advises UDAG funds are most applicable to purchase of brochures. In response to Mr. Moody's question about flow charting of payment methodology, Mr. Leighton said brochures can be purchased from CDBG checking accounts funds, as those funds are increased by LDC loan payments. Mr. Trichka noted his primary desire for software to further identify available town properties for development. Mr. Moody agreed and said such software is part of the expenditures he is planning.

VIII. ADJOURNMENT

A. President Trichka asked Board members if they had additional concerns or items to discuss. There being no further business to come before the Board, President Trichka adjourned the meeting at 8:40 a.m.

Respectfully submitted,



Joseph M. Moody
Director