

**TOWN OF UNION  
LOCAL DEVELOPMENT CORPORATION  
MEETING MINUTES  
THURSDAY, FEBRUARY 20, 2020**

**SYNOPSIS OF MEETING**

The Town of Union Local Development Corporation met for a regular meeting on Thursday, February 20, 2020 at the Town of Union Office Building, located at 3111 East Main Street in Endwell, New York.

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

MEMBERS PRESENT: Diane Julian, Gary Leighton, Mary O'Malley-Trumble,  
James Peduto, Jeffrey L'Amoreaux, Timothy Strong

MEMBERS ABSENT: Stephen Trichka

OTHERS PRESENT: Rosemarie Pope (LDC Board Attorney)  
Richard Materese (Town Supervisor)  
Thomas Augustini (Deputy Town Supervisor)

STAFF PRESENT: Joseph Moody (LDC Director), Robin Shimer (Admin. Asst.)

**II. APPROVAL OF THE MINUTES**

The Minutes of the regular LDC Board Meeting of January 23, 2020 were reviewed and approved, as written.

Motion: Jeff L'Amoreaux

Motion 2<sup>nd</sup>: Gary Leighton

Motion: To approve the regular LDC Board Meeting Minutes of  
January 23, 2020, as written.

Vote: Motion approved [6 - Yes, 0 - No, 1 - Absent]

**III. VICE PRESIDENT'S REMARKS**

Vice President Julian extended a warm welcome to all attendees.

**IV. DIRECTOR'S REMARKS**

Director Moody noted considerable loan activity and business location inquiries. Mr. Strong asked if statistics are accessible about existing vacant space. Mr. Moody said consideration was previously given to look into a software package, but was not pursued due to ongoing site maintenance and limited staffing. Mr. Moody and Ms. Julian suggested realtors do have some of the site search capabilities.

V. OLD BUSINESS

- A. Director Moody presented for Board consideration a loan request by Mr. James P. Wheelock of Triple City Towing and Road Service, Inc. for TUBA loan program funding in an amount not to exceed \$60,000.00. He noted the loan's review at the prior Board meeting, and the Community Development Department's subsequent determination that the business needs to obtain flood insurance. The loan is to assist in acquisition of commercial property and buildings located at 345 Grand Avenue in Johnson City. The terms are 20 years at a fixed interest rate of 3% with no call.

The project's funding of \$471,000.00 is comprised of a \$360,000.00 Tioga State Bank loan, a \$60,000.00 LDC loan, and owner cash equity of \$51,000.00. The bank is requiring an appraisal and the LDC will require a copy for review and acceptance. The LDC requires creation of two full-time equivalent jobs. Mr. Moody said the business had double-digit growth in consecutive years. Mr. Strong asked if there are loan stipulations about the level of applicant credit scoring. Mr. Moody said we look at it on a case-by-case basis. Vice President Julian requested a motion to approve the loan to Triple City Towing and Road Service, Inc., contingent on the business's required participation in flood insurance coverage.

Motion: Jim Peduto

Motion 2<sup>nd</sup>: Jeff L'Amoreaux

Motion: To approve Town of Union Business Assistance (TUBA) loan program financing to Triple City Towing and Road Service, Inc. in an amount not to exceed \$60,000.00. The loan shall be used to assist in acquisition of the commercial property located at 345 Grand Avenue in Johnson City. The loan shall be for a period of 20 years at a fixed interest rate of 3% with no call, and is approved contingent upon requirement by the Town of Union Local Development Corporation for Triple City Towing and Road Service, Inc.'s obtaining of flood insurance coverage.

Vote: Motion approved [6 - Yes, 0 - No, 1 - Absent]

- B. Director Moody presented for Board consideration of approval a loan request by Mr. Rakesh Shroff of OM Shirdi Sai, LLC for Town of Union Commercial Façade loan program funding in an amount not to exceed \$100,000.00. The purpose of the loan is to assist in the exterior renovation of a commercial building located at 749 West Main Street in Endicott. The renovation includes new roofing, blacktopping, landscaping, painting and signage. The facility is across the road from the En-Joie Golf Course, which is the site of the annual Dick's Sporting Goods Open golf tournament.

Mr. Moody referenced the full application and corresponding documents. The terms are a 5 year loan at a fixed interest rate of 0%. The type of motel may be a Travelodge by Wyndham brand. The private lender (Tioga State Bank) has approved up to a \$700,000.00 loan. The owner's equity amount is \$340,000.00. The bank is requiring an after-buildout appraisal.

Mr. Leighton asked about the basis for the prior motel developer's conveyance of the property to Mr. Shroff. Mr. Moody indicated from his understanding there is a working relationship between the most recent short-term owner and Mr. Shroff. Mr. Peduto inquired about the low daily rental cost of fifty dollars. Mr. Moody agreed the cost is low but projections may have been conservative. Ms. O'Malley-Trumble asked if information exists about prior motel owner. Mr. Moody the prior purchase price and personal issues with the husband and wife who owned it were not ideal. He said the level of marketing by the new management will define the motel's degree of success.

To assure motel lodging policy of short-term stays, Mr. Moody proposed establishing a loan approval requirement for the motel to provide commercial hotel/motel lodging of short-term stays only. Mr. Peduto stated his support for requiring motel short-term lodging only, and the LDC's correlative ability to call the loan if a change occurs.

Following discussion, Vice President Julian requested a motion to approve the loan request for OM Shirdi Sai, LLC. She affirmed loan approval is contingent upon the condition requiring the motel to provide commercial hotel/motel lodging service of short-term stays only. If the LDC-required lodging policy of short-term stays is not adhered to by the motel, the commercial façade loan will then be called.

Motion: Jeff L' Amorequx  
Motion 2<sup>nd</sup>: Tim Strong  
Motion: To approve Town of Union Commercial Facade loan program financing to OM Shirdi Sai, LLC in an amount not to exceed \$100,000.00. The loan shall be used to assist in the exterior renovation of a commercial building (former Red Carpet Inn) located at 749 West Main Street in Endicott. The loan shall be for a 5 year period at a fixed interest rate of 0%. The loan is approved contingent on the requirement for the motel to provide commercial hotel/motel lodging service of short-term stays only.  
Vote: Motion approved [6 - Yes, 0 - No, 1 - Absent]

## VI. NEW BUSINESS

- A. Mr. Moody referenced the prior distribution of 2020 Financial Disclosure Forms to Board members. He requested the completion and return of the forms by March 19, 2020. Upon receiving the completed forms, Mr. Moody will deliver those documents to the Broome County Legislature for filing with the Broome County Board of Ethics. The filing deadline for the Financial Disclosure Forms is March 31, 2020.

## VII. OTHER BUSINESS

- A. Mr. Moody and Counselor Pope provided a Jewels of Java, LLC update. Mr. Moody noted the loan repayment status will be shown in the LDC financials as a loss reserve. Counselor Pope said she is awaiting notice of the pending foreclosure sale date.

- B. Mr. Moody shared an update about recent Urban Development Action Grant (UDAG) loan payoff, and also Community Development Block Grant (CDBG) withdrawals of loans and associated details. The payoff pertained to Sheric Holdings, LLC (D/B/A Kristofor's), and the withdrawals included Bread in the Wild, Makks Realty, LLC and 1435-1439 Marchuska, LLC. Mr. Moody presented for Board reference a listing of encumbered UDAG and CDBG funds. He reviewed the available funding within each category, the status of UDAG Grants, and a repayment listing of all loan recipients.
- C. Mr. Moody initiated discussion of Sonostics, Inc.'s 2019 Profit and Loss Statement. He circulated for the Board members' reference the most recent corporate tax return. Mr. Peduto asked what the likelihood would be of a positive differentiation in annual profitability. Mr. Peduto inquired if loan payments have been current. Mr. Moody said payments have been current. Mr. Leighton asked if Sonostics ownership has indicated what corrective action being taken. Mr. Moody said such insight has yet to be provided. All Board members posed further questions regarding revenue, wages, loan balance, insurance, and research and development. Mr. Moody suggested inviting Mr. McLeod to the next Board meeting, so he may answer questions directly. The Board members agreed with Mr. Moody's recommendation.

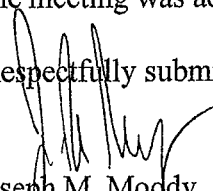
## VIII. ADJOURNMENT

Vice President Julian asked if there were additional topics for Board discussion. Due to there being no other matters to come before the LDC Board, she requested a motion to adjourn the meeting at 8:45 a.m.

Motion: Tim Strong  
Motion 2<sup>nd</sup>: Gary Leighton  
Motion: To adjourn the regular LDC Board meeting of February 20, 2020 at 8:45 a.m.  
Vote: Motion approved [6 - Yes, 0 - No, 1 - Absent].

The meeting was adjourned at 8:45 a.m.

Respectfully submitted,

  
Joseph M. Moddy  
Director