

# THE AGENCY

B R O O M E C O U N T Y I D A / L D C

## BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

October 13, 2021 • 2:00 p.m.  
The Agency Conference Room, 2<sup>nd</sup> Floor  
FIVE South College Drive  
Binghamton, New York 13905

### SPECIAL MEETING

#### AGENDA

- |    |   |             |
|----|---|-------------|
| 1. | Call to Order   | J. Bernardo |
| 2. | Public Comment  | J. Bernardo |
| 3. | Resolution Approving a Request from STEED/BDF Borrowers 20 Delaware Ave., LLC and 17 Kentucky Ave., LLC to Remove the Corporate Guarantor from its Two Loans with the BCIDA | T. Gray     |
| 4. | Adjournment   | J. Bernardo |

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To: BCIDA Board of Directors

From: Thomas M. Gray  
Senior Deputy Director of Operations

Date: October 13, 2021

Subject: A Request from STEED/BDF Borrowers 20 Delaware Ave., LLC & 17 Kentucky Ave., LLC to Remove The Corporate Guarantor from its Two Loans with the BCIDA.

The BCIDA has closed three loans with the two real estate holding companies for Engineering Manufacturing Technologies, LLC, (EMT, LLC). One in 2014, one in 2017 and one in 2018 for \$395,000, \$230,000 and \$100,000 respectively. The term of each mortgage is 10 years, 15 years and 15 years and the interest rates are 2.50%, 3.0% and 3.0%. The notes are secured by a first mortgage position on the property and building located at 20 Delaware Ave., Endicott, New York and a shared co-equal first mortgage and a shared pro rata second mortgage, each with the Town of Union LDC on the property and building located at 17 Kentucky Ave., Endicott, New York. The notes were further secured by the corporate guarantee of EMT, LLC as well as the personal guarantees of the operating company and real estate holding company's owners James Kirkwood (33.3%), Sean Whittaker (33.3%) and Maynard Fahs (33.3%). Life insurance policies of the three principals are also assigned to the BCIDA in the amount of the loans.

As part of a recapitalization plan for EMT, LLC a new corporation, NVO Holdings Corporation, will be formed. Ownership of the real estate companies moving forward will not change. The new corporate ownership will be comprised of James Kirkwood in a majority position with minority positions held by Gladstone Capital and League Park (Sean Dorsey). In order for the ownership change to occur a request is being made to remove EMT, LLC as a corporate guarantor of the two mortgage notes held by the BCIDA.

The Advisory Loan Committees and I recommend approval of the request for the following reasons:

1. The collateral position of the BCIDA would remain strong. A recent appraisal on 20 Delaware Ave. indicated the property is valued at \$950,000; balance of the loan is \$149,597.87. The value of 17 Kentucky Ave. was determined to be \$775,000 prior to \$300,000 worth of improvements to the building; balance of the loan to the BCIDA and the Town of Union LDC is \$372,000 after the company's anticipated pay off of one loan to each agency. Also, the remaining three personal guarantees still more than adequately secures the debts.
2. The current outstanding balance of the existing loans is \$149,597.87, \$185,184.00 and \$84,863.98. The company continues to have an excellent repayment history, with no late payments. The \$84,863.98 loan is expected to be repaid to the BCIDA at the closing of the new ownership transaction.
3. The Town of Union LDC is reviewing the request to release EMT, LLC as a corporate guarantor of both its loans and is in the process of scheduling committee meetings to formalize the anticipated approval.
4. All other terms and conditions of the original Industrial Management Loan and Use Agreements, Promissory Notes, Affidavits and Agreements and Employment Certification would remain unchanged.

Contingences: The release of the corporate guarantee outlined above is contingent upon the approval of the Town of Union LDC's release of the corporate guarantee to its loans shared with the BCIDA.