



Annual Report 2013



Matthew T. Ryan, Mayor
Merry Harris, Executive Director

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

BOARD OF DIRECTORS AND MEMBERS 2013 (Current as of October 2013)

President	Timothy Grippen, <i>NYS Department of Labor</i>
Vice-President	Debra Andrako, <i>NBT Bank</i>
Secretary	Don Bergin, <i>Community Leader</i>
Treasurer	Chet Schultz, <i>First Niagara</i>
Director	Tarik Abdelazim, <i>City of Binghamton Director PH/CD*</i>
Director	Matthew Ryan Mayor, <i>City of Binghamton*</i>
Director	Patricia Cummings, <i>Lawyer</i>
Director	Ken Frank, <i>City of Binghamton Corporation Counsel*</i>
Director	Lea Webb, <i>City Council Representative</i>
Director	Chris Papastrat, <i>City Council Representative</i>
Director	Charles Pearsall, <i>City of Binghamton Comptroller*</i>
Director	Marie McKenna, <i>Business Owner</i>
Director	Scott Hancock, <i>Binghamton University</i>
Member	Ron Sall, <i>Community Leader</i>
Member	John Patterson, <i>Community Leader</i>

ADMINISTRATIVE STAFF Office of Economic Development

Executive Director	Merry Harris
Assistant Director	Joel Boyd
Financial Analyst	Omar Sanders
Account Clerk	Sabina Mora

*serves by virtue of position

BLDC

Binghamton Local Development Corporation

November 21, 2013

I am pleased to present the Annual Report which highlights the activities and accomplishments of the Binghamton Local Development Corporation for the fiscal year September 2012 through August 2013.

The **Board of Directors** continued to be active and engaged and provided exemplary leadership. Reduced staffing impacted business visitation, outreach and the ability to respond to new requests for participation, but the staff stepped up efforts and was appreciative of the support the board provided. Financial Analyst Omar Sanders accepted additional responsibility for fiscal management of BLDC funds and worked effectively with Sabina Mora the part time Account Clerk who initiated upgrades to the QuikBooks bookkeeping system that resulted in time saving efficiencies.

The City and consequently the BLDC received an even more significant cut in **Community Development Block Grant (CDBG)** funds in 2012-13, resulting in no additional contribution to the BLDC loan fund. A small portion of the BEDO-BLDC budget was funded from the city's General Fund for the first time in more than a decade.

Loan activity remained limited. Several loans were initiated but only two were completed. The Board approved two loans during the fiscal year for a total of \$274,000 which leveraged an additional \$5,554,000 for projects totaling \$5,828,000. Six new FTE jobs will be required as a result of this lending activity.

Interest in locating business in the city continued to rise. The office provided **concierge services** to dozens of businesses seeking to open or expand in the city. Assistant Director Joel Boyd participated in the weekly pre-development meetings hosted by the Planning Housing & Community Development office to orient those proposing projects in the city to the approval process and all staff followed through to facilitate development.

The office organized **technical assistance workshops** on relevant topics such as Social Media, Digital Marketing, Historic Tax Credits and a series of Community Discussions connected to Blueprint Binghamton, the city's update to the 2003 Comprehensive Plan.

The BLDC-EAP **Business Plan Competition** saw ten excellent contestants with "**Freshy Sites**" a new website design firm taking the \$5,000 prize. Located in downtown on

Court Street, owner Ben Giordano has become a catalyst for the creative class of young professionals popping up in Binghamton. The office organized a **Business Development Workshop** in conjunction with the BPC that included professional presentations on relevant topics including legal, financial, business plan development, marketing and a panel discussion among young entrepreneurs.

In an ongoing effort to stimulate the local **entrepreneurial ecosystem**, the Economic Development Specialist headed up the city's first "**Start-Up Weekend.**" Startup Weekend, sponsored by the Kaufman Foundation, is a global grassroots movement of active and empowered entrepreneurs who come together to learn the basics of founding startups and launching successful ventures. Working with a consortium of economic development partners as a steering committee, and a BU Intern Joe Garrant, Omar Sanders organized the event over most of the year and saw it through to a successful conclusion November 9-11, 2012.

The BLDC was successful in securing a **NYS Main Street grant** in December 2012. The application requested \$250,000 to support commercial and residential revitalization efforts along the Chenango, Henry and State Streets target area. Grant funds will be used to support façade upgrades, residential retrofits, and street scape improvements in the target area.

Early in September BEDO partnered with the 2012 Business Plan Contest winner The CommuniKey to hold the "**Downtown Student Kick-Off**" welcoming more than 500 BU and BCC students into downtown to sample food and services from CommuniKey member businesses located in Binghamton. The event was planned for the Parlor City Commons and Washington Street, but when a hurricane threatened, Terra Cotta Catering agreed to open its doors and accommodate the party. The office continued its practice of engaging with **Binghamton University** in multiple ways outlined later in the report.

The **Commission on Downtown Binghamton Development** co-chaired by the Executive Director and former City Councilman and BLDC Board member Sean Massey issued its final report in December. The office has worked to implement recommendations including re-branding, supporting public art installations, streamlining communication concerning the development process, highlighting prime locations for commercial projects, and marketing the city to target groups: students, young professionals and empty nesters. The interactive matrix of development incentives that was created by a Binghamton University MPA class was posted prominently on the BLDC website.


Cooperation with our economic development partners in the community is essential to long term success. The Executive Director attended meetings of the **Southern Tier Economic Partnership** (STEP) with the Mayor and served on the board of the statewide Urban Council an organization that focuses on downtown development. Staff actively participated in efforts to connect city enterprises with funding via the **Regional Economic Development Council**.

The BLDC, the Broome County IDA and **Boscov's Department Store** came to a new five-year agreement requiring the store to make a total of \$1.2 million in capital improvements to the property over that time period with the initial \$1 million occurring in the first year. A roof replacement was completed in September and interior upgrades are underway. In addition, the lease with the IDA requires **Boscov's** to increase the amount it pays that goes for city, county and school taxes.

Throughout the year, the office worked with an independent videographer to create a series of short videos on why people love living and working in Binghamton. These will debut on **YouTube** before the end of the year. In another marketing initiative tied to the recommendations of the Commission on Downtown Binghamton Development, the office has been working with HUE advertising on an exciting **re-branding** effort, complimentary brochures and a website promoting downtown shopping and dining and a guide to starting a business in the City and navigating the planning approval process. Finishing touches are in the works.

Once again I want to express my sincere and deep gratitude to the Board of Directors and the excellent staff. The level of professionalism, dedication and ingenuity that Joel, Omar and Sabina demonstrate is well beyond the norm. It has been a stimulating and a pleasure to work in this capacity for nearly eight years. I am confident that their high level of performance of record will continue as the city grows ever stronger and more vibrant.

Sincerely,

A handwritten signature in black ink, appearing to read "Merry A. Harris". The signature is fluid and cursive, written over a light blue horizontal line.

Merry A. Harris
Executive Director

ACTIVITY REPORT OF THE BLDC IN 2012-13

The BLDC was founded in 1982 as a public benefit corporation to promote employment and economic development in the City of Binghamton. Its mission as updated in 2011 is:



The Binghamton Local Development Corporation exists to further sustainable development in the City of Binghamton by attracting new business,

retaining and growing existing businesses, building industrial and commercial capacity, promoting employment and fostering entrepreneurship and innovation.

Each year the City executes an agreement with the BLDC to manage the City's low interest loan programs and economic development activities. The BLDC is a 501(c)3 non-profit corporation directed by a board of municipal and business leaders. Members currently include 13 Directors (voting members) and two additional members-at-large (non-voting). Four Directors serve by virtue of their elected or appointed positions in City government: The Mayor, the Director of Planning Housing & Community Development, the Finance Director and the Corporation Counsel. Seven additional Directors representing finance, small business, professionals and the low-to-moderate income sector are appointed by the Mayor to serve two-year terms. The President of City Council appoints two members to serve one-year terms, one each from the majority and minority party. The Mayor appoints the community members who also serve two-year terms. In the 2012-2013 fiscal years, the Board held 10 regular meetings, three special meetings and the Annual Meeting. Standing Committees of the BLDC include: Loan, Strategic Priorities, Governance, Outreach & Communications and Audit.

The City's Economic Development Office provides technical assistance to businesses locating in the City of Binghamton and serves as staff for the BLDC. The City's Economic Development Director serves as the Executive Director of the BLDC. With declining CDBG allocations for personnel costs in FY 38, the City's Economic Development staff was reduced from four full-time positions to three full-time positions and a part-time position in September 2012. Services such as strategic planning, outreach and participation in promotional events were significantly reduced. The individual in the Account Clerk position worked above and beyond the basic requirements and the Executive Director was able to demonstrate the need to restore the full professional position for the 2014 budget. The new title of Economic Development Specialist – Administration and Research, reflects the incorporation of strategic planning, business outreach GIS mapping, and specialized research to promote the changing demographics of the city via the internet and social media.

The BLDC's revenue sources are derived from current and prior year CDBG funding, CDBG program income generated from the repayments on loans, and program income generated from the Urban Development Action Grant (UDAG) program.

The BLDC currently operates six loan programs

BLDC requires owner participation of at least 10% equity in the project cost for all loans funded with CDBG. Revolving Loan Fund loans are typically subordinate to bank financing.

- The **Microenterprise Loan Program** targets small and start-up businesses. Loans are offered up to \$24,000 with a 5-year term, fixed interest at Wall Street Journal prime rate or 4% (whichever is greater). Microenterprise loans can be used for purchase of fixed assets, working capital and inventory. UDAG funds provide the source for Microenterprise loans.
- The **Commercial Façade Improvement Loan Program** targets exterior building improvements particularly in the City's historic districts. BLDC finances up to 75% of total project capped at \$100,000, 7-year term, fixed interest at Wall Street Journal prime rate 4% (whichever is greater). Borrower's equity contribution and non-BLDC funding must be invested and documented prior to any BLDC funds being advanced; 1/3 draw can be made with presentation of verifiable invoices, interest-only payments begin on aggregate principal advanced; the second 1/3 draw with verifiable invoices; final 1/3 draw following invoices and inspection by City Building Department; then, principal and interest payments begin. UDAG funds provide the source for Commercial Façade Improvement loans.
- The **Revolving Fund Loan Program** is available to a proprietorship, partnership or a corporation engaged in commercial activity. BLDC will finance up to 40% of total project cost capped at a maximum of \$250,000. Loans are collateralized by fixed assets for a term compatible with bank lending or depreciable life of machinery/equipment based on specific projects up to 20 years, fixed interest at Wall Street Journal prime rate or 4% (whichever is greater). Jobs hiring individuals from low-to-moderate income brackets as defined annually by HUD must be created within 3 years of securing funding at a ratio of 1 job per \$35,000 of funds borrowed. Loans may be used for buying a building, purchasing machinery or fixtures; development, rehabilitation, renovation or improvement of land, buildings and facilities; or other eligible activities within the project scope. CDBG funds provide the source for Revolving Fund loans.
- The **Special Project Loan Program** provides flexibility for the BLDC to partner in projects that have a significant economic impact, meet a defined need or address a strategic focus, such as mixed use development, blight reduction, or green/sustainable development that may not fit into one of the other loan programs. Special Project loans may be structured more creatively to take advantage of other funding sources and project scenarios. UDAG funds provide the source for Special Project loans.
- The **Green Jobs Revolving Loan Fund** is dedicated to the start-up/expansion of Building Performance Institute (BPI) certified businesses within the City of Binghamton.

The fund is supported from two sources: \$60,000 from the USDA Rural Business Enterprise Grant and \$60,000 from the BLDC's Urban Development Action Grant. The minimum loan amount is \$5,000, the maximum is \$80,000 and every \$35,000 must create at least one full-time job. The loan requires 10% owner equity and carries a 3% fixed interest rate. *(Note: There had been no activity with this fund so in October 2013 the program was modified to the Energy Efficiency Green Jobs Loan Program to allow for loans to small businesses that want to make energy efficiency improvements to their property.)*

- The **Business Restart Loan Program** is a special reserve account of \$100,000 to provide below market rate loans to small businesses impacted by natural disasters that are in need of assistance with reopening their businesses. This loan program was created initially as a temporary fund in response to the significant flooding event on September 7, 2011 which affected the operations of many small businesses. In May 2012, the Board approved making the reserve fund and loan program permanent. The restart loan provides local qualified businesses up to \$10,000 to cover restart costs including the purchase/repairs of business equipment, paying fees for professional service related to flood damage and covering capital shortfalls as a result of the flood. BLDC waives the usual application fees and no equity investment is required under this program. The rates are 1% fixed interest for the 1 year term and 3% fixed interest for terms greater than one-year. All loans will include deferment of principal and interest payments for the first three months from the date that the loan proceeds are disbursed. The loan balance then will be amortized over the remaining term of the loan.

Loans in excess of \$25,000 must be further approved by City Council prior to final commitment and closing. The Executive Director and Financial Analyst present to Council the loan summary prepared for the BLDC Board, excluding personal or proprietary financial information, at a Work Session; generally the Council votes on loan approval at the next regular Business meeting.

BLDC Supported Economic Development Projects – 2012 - 2013

Nielsen Hardware

67 Fredrick Street, Binghamton, NY 13904

Amount of Loan: \$250,000

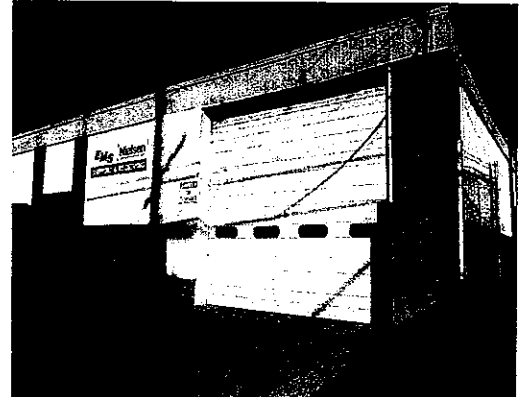
Purpose of Loan: Stock Purchase

Loan Fund: Revolving Loan Fund

Total Project: \$5,700,000

Leverage: \$5,450,000

Jobs required: Six FTE



Project Description: The applicant received a BLDC Revolving Fund loan to support the stock acquisition of Nielsen Hardware Corporation—a wholly own subsidiary of Actuant Corporation, a publically traded company, which included: equipment, inventory, accounts receivables, Goodwill, and FF&E. The total cost of the project was \$5,700,000. The BLDC's participation in this loan structure involved an incentive package consisting of location assistance and gap financing in the amount of \$250,000 to support the purchase of the company's assets. The outcome of the project resulted in six new jobs created and the establishment of a new manufacturing company within the city limits.

Confluence Running

46 South Washington Street, Binghamton, NY
13903

Amount of Loan: \$24,000

Purpose of Loan: Business Expansion

Loan Fund: Microenterprise Loan Fund

Total Project: \$128,000

Leverage: \$108,000



Project Description: The applicant, Finger Lakes Running Triathlon Company, Inc, received a loan in the amount of \$24,000 to assist in the purchase of inventory and equipment as part of an expansion effort to open a second specialty running shoe store location in the City of Binghamton: Confluence Running Company. The total startup cost for this project was \$128,000. The BLDC participation in this loan consisted of an incentive package that included location assistance and startup financing.

Business Plan Competition

The BLDC hosted its fifth annual *Business Plan Competition* in partnership with the Broome Triad's Entrepreneurial Assistance Program (EAP) located at Broome Community College, the Greater Binghamton Chamber of Commerce, and the Press & Sun Bulletin. Started by BLDC's Marketing & Outreach Committee in 2009, the purpose of the competition is to grow local businesses, raise awareness about BLDC financing programs and highlight resources for business development.

Eligible applicants must be for-profit entities that are either an existing business located in the City of Binghamton that is less than five years old, or have a qualified business plan that demonstrates an ability to finance and open the new business within four months of winning the competition and a commitment to maintain the business within the City for a minimum of three years. All applicants must demonstrate that they have completed business start-up or management training (e.g., EAP classes) and must participate in the City's Business Development Workshop offered at no cost to potential applicants. Eligible applicants can access one-on-one assistance from EAP staff at no charge.



The 2013 competition attracted 10 viable and varied entries. The grand prize winner was *FreshySites*, an affordable, custom designed website company located on Court Street in downtown Binghamton. The company was started in 2012 by owner Ben Giordano, a native to the Greater Binghamton area. As the grand prize winner, *FreshySites* received a \$5,000 prize from the BLDC, matched by a \$5,000 advertising package from the Press and Sun Bulletin, and a one-year membership in the Greater Binghamton Chamber of Commerce. Due to

the fact that *FreshySites* is a web design company themselves, they did not need to take advantage of free website design services offered to the competition's winner.

FreshySites used the prize money to work with Binghamton University to hire an intern and part-time employee, and will invest in capital equipment, such as new computers and other hardware. Additional information about the company can be found here: <http://freshysites.com/>

Serving as judges were BLDC Board Director Deb Andrako; Brian DeBoyace, Tioga Bank; Christine Baust, Pumpelly House; Rochelle Layman, SBDC and Jimmy Orband, The CommuniKey, the 2012 BPC winner.

The business plan competition encourages entrepreneurship and the growth of small businesses in our community. Small businesses are an integral part of our local economy, providing essential employment opportunities to residents and essential revenue to the local tax base.

Additional Economic Development Activities

Concierge Service

The City's Economic Development Office serves as a concierge for businesses starting and expanding in the city. Its services range from location assistance, monitoring and facilitating review by the Planning staff and Commission and as needed by the Zoning Board, Commission on Architecture & Urban Design and Waterfront Advisory Commission. Some of the businesses directly attracted or assisted include Confluence Running, Nielsen Hardware, Simply Sweet Frozen Yogurt, HUE Advertising, Galaxy Brewing, Holdrege Design, Old Barn Hollow and North American Business Solutions, the redevelopment of the Lackawanna Train Station, the plaza at 46 S. Washington Street, Chenango Commons and the University Lofts student housing projects.

The BLDC works closely with the BU Small Business Development Center, the Entrepreneurial Assistance Program at BCC and SCORE to assist clients in developing solid business plans and projections needed to ensure success.

Grants Administration

Broome Triad

In 2012-13, the BLDC again was the grant administrator for the New York State Entrepreneurial Assistance Program of the Empire State Development Corporation. The prime contractor for this program is the Broome Enterprise Triad consisting of Broome Community College, the BC Urban League and Broome-Tioga Workforce New York. The 60 hour class was conducted by BCC staff and contract professionals covering a range of topics including marketing, finance, and market analysis which result in participants producing a completed business plan. The program provides individualized and specific assistance to start-ups and newly opened businesses and ongoing support through weekly "Master Mind" groups and monthly meetings with the client advisory group. The fall 2012 training resulted in nine graduates.



NYS Main Street

The BLDC was awarded its second Main Street Grant by the NYS Office of Community Renewal in December 2012. The \$250,000 grant provides matching funds up to \$50,000 for façade improvements, commercial and mixed use development including affordable housing units in a targeted district. The BLDC focused on Chenango Street from Court to Henry,



Henry Street between Chenango and State, and State Street from Henry to Lewis. Six projects were selected based on criteria established by the state and the BLDC Strategic Priorities Committee, they include: 201 and 213 State Street, 23 and 60 Henry Street, and 34 and 40 Chenango Street. The projects will create four new residential units and there will be commercial and façade improvements in all six. \$15,000 of the grant is reserved for street scape improvements in the district, which will be determined next year.

Funders Network

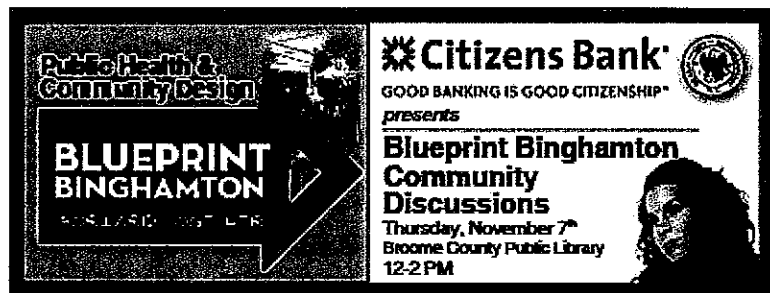
The BLDC agreed to administer a \$50,000 matching grant from the Funders Network to help support the Energy Leadership Program being run out of Cornell Cooperative Extension. The program promotes energy efficiency improvements in residential properties and has offered to assist with outreach for the BLDC Energy Efficiency Green Jobs Loan Program.

Uplift Solutions and the North Side Grocery

In August City Council Member and BLDC Board Member Lea Webb made contact with UpLift Solutions, a Delaware based foundation that specializes in assisting underserved communities to recruit food suppliers. The BLDC Board approved use of funds that had been in escrow for the purchase of the property at 10-12 W State Street several years ago by a Save-A-Lot retailer to pay for a Phase one study of the feasibility of locating a store on the City's North Side. Using data prepared by the staff and a former intern of Councilwomen Webb, Uplift determined that it would be feasible to pursue a grocery or co-op for the neighborhood. The BLDC applied for a grant of \$100,000 under the NYS Consolidated Funding Application (CFA) process to fund a complete site study, business plan development and direct recruitment of a full service grocery or co-op. A decision on the grant is expected by year end.

Blueprint Binghamton

In conjunction with the Planning, Community Development and Housing office, BEDO helped to promote activities associated with the city's update to its 2003 Comprehensive Plan. The Assistant Director arranged for great free space attached to Metro

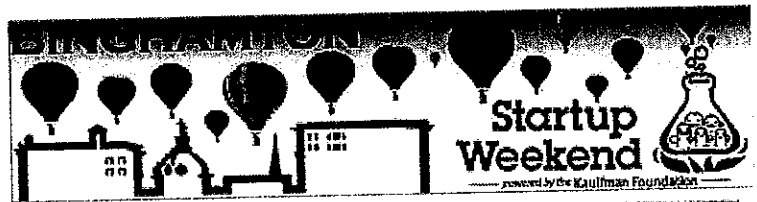


Center at 49 Court Street to house the "Design Studio" that served as the center of citizen participation. BEDO staff assisted with several open houses there. The office was responsible for organizing a series of six "Community Discussions" on topics related to smart growth and sustainable development. The Economic Development Specialist worked with the Chief Planner to obtain a \$2,500.00 sponsorship from Citizen's Bank to cover the cost of lunches, speakers and door prizes. Held from noon-2:00PM at the Broome County Public Library on the

first Thursday of the month April-June and September-November attendance reached the room capacity of 80 nearly every month. The format included a panel of three - five presenters local and representative of best practices from other cities, followed by community discussion. Topics included Placemaking and Economic Development, Trends in Residential Markets, Energy Efficiency for Business, Historic Preservation and Adaptive Reuse, Environmental Justice and Public Health and Community Design.

Start-Up Weekend

Omar Sanders, Economic Development Specialist – BLDC Financial Analyst coordinated the City of Binghamton's first Startup Weekend: a 54-hour event where participants pitch business startup ideas and form teams to compete for awards and cash prizes. Startup



No Talk. All Action. Launch a Startup in 54 hours.

November 9-11, 2012 Binghamton Riverwalk Hotel & Conference Center

Weekend was organized through collaborative efforts among several organizations led by the Binghamton Local Development Corporation and including Binghamton University, Broome Community College, Centerstate CEO, the Greater Binghamton Chamber of Commerce and the Southern Tier Opportunity Coalition. Startup Weekend, sponsored by the Kaufman Foundation, is a global grassroots movement of active and empowered entrepreneurs who come together to learn the basics of founding startups and launching successful ventures. The event included more than 60 participants and received tremendous community support from local companies and professionals that volunteered their time and resources. More than 30 local professionals from the areas of law, finance, marketing, software and website development, and small business counseling participated as mentors. The event received more than \$10,000 in the form of sponsorships from local and regional businesses.

Marketing and Special Events

With the decrease in staff resources in 2012-13 the office was limited in the support it could give to outside events. Staff maintained the city's commitment to several long time events and with the help of BU Interns initiated several activities designed to attract people to the city and the downtown dining and shopping district.

The BLDC participated in the annual Greater Binghamton Chamber Expo in April as part of the economic development one-stop group.

The office staff complements the efforts of the Downtown Binghamton Business Association (DBBA) in presenting July Fest & the more recent Music Fest, including managing the 5-K Parlor City Run. The office partners with the County for the Chris Thater Memorial Races, with marketing support, set up and race day staffing and an information booth; and set-up for the annual Mirabito Holiday Classic basketball tournament.



The Assistant Director organizes and operates the Friday lunch-time "Brown Bag Concert Series" held in conjunction with the weekly Farmers' Market and provides marketing support to the Winter Farmers Market located in the Metro Center as well as the

biannual Restaurant Week, summer Martini Walk and Halloween Which Hunt.

BEDO assisted the Mayor's office in scheduling a series of six free concerts by several of the ensembles of the Binghamton Philharmonic in various downtown locations and one as a part of the Chamber's Bridge Run Half Marathon.

Interns under the direction of the Economic Development Specialist and with the assistance of the Account Clerk again took part in the University Fest at BU, a university sponsored event to welcome students. BEDO provided information on cultural centers and events along with event calendars and a game in which student could win \$5 gift cards to many city businesses. In collaboration with The CommuniKey, 2012 winner of the BLDC-EAP Business Plan Competition, BEDO sponsored the first Downtown Student Kick Off, an event that brought more than 500 BU and BCC students to Terra Cotta in downtown to sample food and services from CommuniKey member businesses located in the city. Music and contests contributed to the festive air of the early September event which the office expects to make an annual activity.



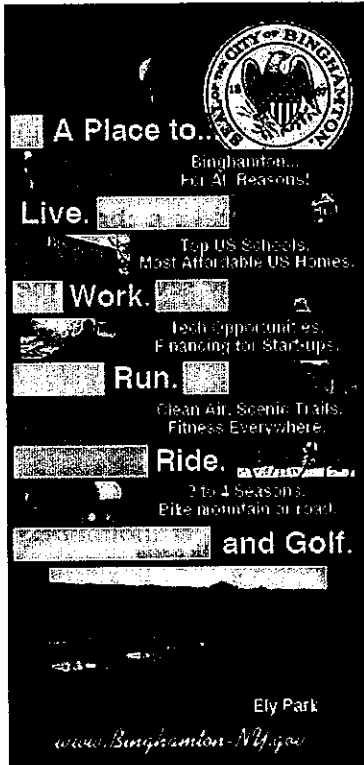
The BLDC participated in the semi-annual "Buy Local" advertising campaigns supported by city marketing funds.

Thirty businesses joined in the holiday spots that ran on WBNG and were matched by weekly ads in the Press and Sun Bulletin. For the early summer TV campaign 18 businesses joined in.

BLDC supports the Gorgeous Washington Street Association's monthly First Friday events and attends monthly meetings of the Board. In a partnership with the Gorgeous Washington Association, city marketing funds were used to replace the large "Big Art in a Little City"

banner on the south wall of city hall and create a new set of light pole banners for the "State of the Arts" block on State Street. GWSA sought public input on designs and two were chosen, one by BU art student Rosemary Smith (city hall) and another by Kari Bayait and Emily Jablon (State St.)

Interns assisted in keeping the BLDC's social media site "Binghamton Linked" lively and informative with blogs, posts, Facebook updates and twitter posts, as well as photographs, workshop announcements and information related to business development in the city.



For the first time, the City of Binghamton supported the Dick's Open with an advertising package in the pairing sheets.

The office updated the BLDC brochure as well as the downtown parking and dining/shopping guide which was widely distributed in hotels and to incoming BU students. The office made use of Constant Contact to communicate frequently to its constituencies about workshops and events.

The office worked with an independent videographer to create a series of short videos on why people like living and doing business in Binghamton that will debut on YouTube before the end of the year.

The office engaged HUE Advertising to help with a re-branding and marketing strategy that will roll out in late 2013 or early 2014 with a brochure that introduces businesses to the concierge service, planning review, approval and permit process in city hall and a brochure and webpage designed to promote leisure time activities to visitors and students.

Business Visitations

Prior to the decrease in staffing the Economic Development Specialist for Business Development made personal visits to newly opened businesses and rotated through many existing businesses to share and gather information. During the 2012-13 year, BU interns working in the office conducted interviews with about a dozen new businesses in the city and wrote blog posts for the Binghamton Linked Social Media site. BEDO worked with the Mayor's Office and the Chamber of Commerce on multiple ribbon-cutting events.

Binghamton University Connection

The office continued its practice of engaging with **Binghamton University** in multiple ways. The Executive Director served on the committee that prepared the application for state funding for the BU Tech Transfer Incubator to be located in downtown Binghamton. She was also an active participant in SUNY BEST, a consortium of Higher Education, Workforce Development and Economic Development entities that offers monthly programs and networking opportunities. Several **BU student interns** worked in the office throughout both semesters and the summer on projects ranging from loan analysis and the annual LDC review, to retail marketing strategy, co-op and buy local campaigns, to organizing workshops, business outreach and special events. Interns maintained the **Binghamton Linked Social Media** sites and created a blog that introduced new businesses.

Brownfield Opportunity Areas

The Executive Director and the Assistant Director serve on the Steering Committees for city sponsored BOA programs for the North Chenango and First Ward. Step One analysis has been completed for each area and they will be moving forward with more specific development plans.

Additional Staff Training/Meetings

The Director and the Financial Analyst attended the NYS Economic Development Council (NYSEDC) Annual Conference in Albany. Omar followed the entrepreneurship track and Merry followed the project development track. The Assistant Director attended training at Cornell University on adaptive reuse of historic buildings. The Financial Analyst completed the NYSEDC Economic Development course. The Account Clerk attended training in the Consolidated Funding Application process and QuickBooks software.

The Director and Assistant Director attended meetings of the NYS Urban Council, a consortium of Business Improvement District professionals from across the State to exchange ideas on revitalizing urban districts. The Assistant Director attended the annual NYS Green Building Conference to learn about the latest in green building technology and techniques and ideas for adaptively reusing historic buildings.

John H. Dietershagen, C.P.A.
Jerry E. Mickelson, C.P.A.
Thomas K. Van Derzee, C.P.A.
Debbie Conley Jordan, C.P.A.
Patrick S. Jordan, C.P.A.
Duane R. Shoen, C.P.A.
Lesley L. Horner, C.P.A.
D. Leslie Spurgin, C.P.A.



**Ciaschi • Dietershagen • Little • Mickelson
& Company, LLP**

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Binghamton Local Development Corporation
Binghamton, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Binghamton Local Development Corporation (a nonprofit organization), which comprise the Statements of Financial Position as of August 31, 2013 and 2012, and the related Statements of Activities and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Binghamton Local Development Corporation as of August 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Loans Receivable on page 9 and 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2013, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control over financial reporting and compliance.

Cianchi, D'Intino, Little, McLaughlin, & Company, LLP

November 14, 2013
Ithaca, New York

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
 STATEMENTS OF FINANCIAL POSITION
AUGUST 31,

	2013		
	Unrestricted	Temporarily Restricted	Total
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 52,847	\$ 1,795,755	\$ 1,848,602
Loans receivable, net, current portion		481,793	481,793
Grants receivable	49,796	29,000	78,796
	102,643	2,306,548	2,409,191
Total Current Assets			
Noncurrent Assets:			
Restricted cash			
Investments		136,954	136,954
Loans receivable, net of noncurrent portion and allowance for doubtful accounts of \$416,874		799,231	799,231
	102,643	3,242,733	3,345,376
Total Assets	\$ <u>102,643</u>	\$ <u>3,242,733</u>	\$ <u>3,345,376</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities:			
Accounts payable	\$ 89,456	\$ 504	\$ 89,960
	89,456	504	89,960
Total Current Liabilities	89,456	504	89,960
Net Assets:			
Unrestricted	13,187		13,187
Temporarily restricted		3,242,229	3,242,229
	13,187	3,242,229	3,255,416
Total Net Assets	13,187	3,242,229	3,255,416
Total Liabilities and Net Assets	\$ <u>102,643</u>	\$ <u>3,242,733</u>	\$ <u>3,345,376</u>

See Independent Auditor's Report and Notes to Financial Statements

2012		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 38,922	\$ 1,566,130	\$ 1,605,052
	302,636	302,636
	29,000	29,000
<u>38,922</u>	<u>1,897,766</u>	<u>1,936,688</u>
	5,000	5,000
	136,954	136,954
	<u>1,264,299</u>	<u>1,264,299</u>
<u>\$ 38,922</u>	<u>\$ 3,304,019</u>	<u>\$ 3,342,941</u>
<u>\$ 36,750</u>	<u>\$ 535</u>	<u>\$ 37,285</u>
36,750	535	37,285
2,172		2,172
	<u>3,303,484</u>	<u>3,303,484</u>
<u>2,172</u>	<u>3,303,484</u>	<u>3,305,656</u>
<u>\$ 38,922</u>	<u>\$ 3,304,019</u>	<u>\$ 3,342,941</u>

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
AUGUST 31,

	2013		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Interest and fees on loans	\$	\$ 66,423	\$ 66,423
Grant income	112,433		112,433
UDAG repayments		46,065	46,065
CDBG HUD funds	230,928		230,928
Interest	4	1,016	1,020
Miscellaneous income	8,129	640	8,769
Gain on sale of land			
Net assets released from restrictions	175,399	(175,399)	-0-
Total Revenues	<u>526,893</u>	<u>(61,255)</u>	<u>465,638</u>
Expenses:			
Facilities, personnel, materials, and supplies - CDBG HUD funds	230,928		230,928
Grant expense	110,432		110,432
Marketing	7,876		7,876
Travel			
Office expenses	3,039		3,039
Program expenses			
Bad debt	162,874		162,874
Transfer to other organization			
Other	729		729
Total Expenses	<u>515,878</u>	<u>-0-</u>	<u>515,878</u>
Total Increase (Decrease) in Net Assets	11,015	(61,255)	(50,240)
Net Assets, Beginning of Year	<u>2,172</u>	<u>3,303,484</u>	<u>3,305,656</u>
Net Assets, End of Year	<u>\$ 13,187</u>	<u>\$ 3,242,229</u>	<u>\$ 3,255,416</u>

See Independent Auditor's Report and Notes to Financial Statements

2012		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$	\$	\$
110,250	65,446	65,446
	59,160	59,160
	302,044	302,044
6	1,035	1,041
860	546	1,406
	172,000	172,000
<u>390,390</u>	<u>(390,390)</u>	<u>-0-</u>
<u>501,506</u>	<u>209,841</u>	<u>711,347</u>
302,044		302,044
110,250		110,250
9,746		9,746
599		599
1,763		1,763
9,750		9,750
68,333		68,333
3,541		3,541
622		622
<u>506,648</u>	<u>-0-</u>	<u>506,648</u>
(5,142)	209,841	204,699
<u>7,314</u>	<u>3,093,643</u>	<u>3,100,957</u>
<u>\$ 2,172</u>	<u>\$ 3,303,484</u>	<u>\$ 3,305,656</u>

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
 STATEMENTS OF CASH FLOWS
AUGUST 31,

	2013	2012
Cash Flows from Operating Activities:		
Change in net assets	\$ (50,240)	\$ 204,699
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debts expense	162,874	68,333
(Gain) on sale of land		(172,000)
(Increase) decrease in:		
Grants receivable	(49,796)	
Increase (decrease) in:		
Accounts payable	52,675	37,043
	115,513	138,075
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities:		
New loans	(364,000)	(99,000)
Loan repayments	487,037	212,956
Proceeds from sale of land		240,000
	123,037	353,956
Net Cash Provided by Investing Activities		
Net Cash Provided by Financing Activities	-0-	-0-
Net Increase in Cash and Cash Equivalents	238,550	492,031
Cash and Cash Equivalents, Beginning of Year	1,610,052	1,118,021
Cash and Cash Equivalents, End of Year	\$ 1,848,602	\$ 1,610,052

See Independent Auditor's Report and Notes to Financial Statements