



# *Annual Report 2009*



**BINGHAMTON LOCAL  
DEVELOPMENT CORPORATION**

**Matthew T. Ryan, Mayor**  
Merry Harris, Executive Director

## ACTIVITY REPORT OF THE BLDC IN 2009



The Binghamton Local Development Corporation was founded in 1982 to promote and assist in the

establishment, growth and development of businesses in the City of Binghamton. The purpose of the BLDC is to encourage the location and expansion of manufacturing, commercial service, and professional firms, which will create, job opportunities for Binghamton residents.

*The Mission of the Binghamton Local Development Corporation is to further sustainable development in the City of Binghamton by attracting new business, retaining and growing established business, building industrial and commercial capacity and promoting employment.*

The BLDC loan program includes the Revolving Loan Program Funds supported by Community Development Block Grant (CDBG) funds and the Microenterprise, Commercial Façade Improvement Loan Program and Special Projects Funds, supported by the Urban Development Action Grant (UDAG) repayments.

### BLDC Supported Economic Development Projects – 2009

#### **On the Roxx Bar & Grill, LLC**

#### **Microenterprise**

*73 Court Street, Binghamton*

*Loan type: Microenterprise*

**Loan Amount:** \$15,300

**Total Project:** \$28,500

*Approved: January 15, 2009*

*Closed: February 16, 2009*

#### **Project Description**

The loan provided financing of \$15,300 for the purchase of restaurant equipment, permanent working capital and renovations to a leased space located at 73 Court Street, Binghamton. On the Roxx is a well established causal bar and grill with a clientele that includes hockey fans and others who attend events at the Broome County Veterans Memorial Arena. The loan enables an existing business to relocate and expand. The loan was secured with equipment, furniture and inventory and leveraged owner investment of \$13,200. It resulted in the direct retention of seven jobs and the potential for additional job creation. Mary Fish is the 100% member of On the Roxx Bar & Grill, LLC and the proprietor. The restaurant was forced to move from its location at 35 Washington Street Binghamton due to the purchase of that property for redevelopment and the subsequent termination of the lease. Business at On the Roxx had been rapidly increasing in the last few years and the new location allowed the owner to expand the



catering component and add amenities. The relocation filled a formerly vacant store front on the City's main commercial street.

**142 Court Street, LLC**

*142 Court Street, Binghamton*

**Special Projects**



**Project: Renovation of upper stories at 142 Court Street for a mixed use building**

**Borrower:** 142 Court Street, LLC

**Loan type:** Special Projects

(Post Construction Financing & renovations)

**Loan amount:** \$70,000 Post construction and \$30,000 renovation

**Total Project:** \$331,304

**Approved:** January 15, 2009

**Closed:** \$30,000 June 2, 2009, \$70,000 pending

**Project Description**

This project develops two upper stories for use as 18 student housing units above three well established businesses, a diner, hair salon and convenience store. The property is located on the east end block of the downtown business district where significant private investment has been made in the last several years and where the BLDC has invested in another mixed use project. The borrower secured from M&T Bank a \$200,000 Construction Loan that will convert to a permanent mortgage and a \$70,000 Demand

Loan to be repaid with BLDC financing following successful completion of the project. The BLDC also financed an additional \$30,000 to finish the renovations.



This loan structure was similar to the BLDC's first mixed use loan the prior year, in which we cooperated with a financial institution to supervise the construction and payouts while the BLDC portion comes in following completion. It supports the BLDC's goal of generating more mixed use residential properties in the city's central commercial corridor and creating off campus student housing alternatives.

Job creation was not a requirement of this loan.

**VMR Electronics, LLC**

*100 Eldredge Street, Binghamton*

**Special Projects**

**Project: VMR Electronics manufacturing plant**

**Borrower:** VMR Electronics, LLC (Permanent working capital) and VMR Realty, LLC (Real Estate acquisition)

**Loan type:** Special Projects

**Loan amount:** \$108,000 permanent working capital and \$292,000 real estate acquisition

**Total project:** \$4,335,000

**Approved:** March 4, 2009    **Closed:** May 5, 2009



**Project Description**

The BLDC was the final participant in a complex financing arrangement to enable the expansion of VMR Electronics, a strong and rapidly growing locally owned manufacturing company. Partners in the project included NBT Bank, Empire State



Development Corporation, Empire Zone, the Broome IDA and NYSBDC. The BLDC's participation with an equity investment was essential to finalize the project and consisted of \$292,000 toward the purchase of a suitable manufacturing site at 100 Eldredge Street, Binghamton and \$108,000 in permanent working capital to support the company's expansion. CDBG funds were used for this loan because it will generate significant job creation even beyond the 11.5 jobs required to satisfy the loan agreement. The project brings 143 existing employees into the city and the company plans to hire and additional 50 employees during the next three years. VMR pays a living wage and offers an extensive training program. Hiring from the HUB zone is a requirement.

VMR manufactures cable harness assemblies and the majority of their contracts feed into the federal government. The company's sales grew at an astonishing rate with a 905% increase from 2005 to 2006, a 19% increase from 2006 to 2007 and a 40% increase from 2007 to 2008. It had outgrown its main plant was renting additional space at a separate location. They wanted to consolidate operations and have room to continue their expansion. Due to the nature of their customers VMR needed a property within a HUB Zone. A building with approximately 164,000 square feet on the city's north side in a HUB Zone had become vacant. It was the ideal location for the relocation and expansion. The financing package included acquisition, renovation and equipment purchase.

## **Loan Extensions:**

The BLDC approved extensions of two existing loans that had come due.

**Project:** 295 Court Street Associates, LLC material handling & warehouse renovation

**Borrower:** 295 Court Street Associates, LLC

**Location:** 295 Court Street

**Loan Type:** Revolving

**Original Loan:** \$200,000 approved July 20, 1998 for building renovation

**Loan extension:** \$115,613 approved September 18, 2008 **Closed:** January 29, 2009

**Project:** Wisteria House, LLC Historic Building Renovation for Office Space

**Borrower:** Wisteria House, LLC

**Location:** 55 Main Street

**Loan Type:** Revolving

**Original loan:** \$46,500 approved August 13, 2003 for property acquisition

**Loan extension:** \$37,000 approved December 16, 2008 **Closed:** March 9, 2009

## **Additional Activities:**

In 2009, the BLDC undertook the following additional activities:

- Further amended the Bylaws to expand the “Conflict of Interest” policy and add an annual reporting form to increase compliance with the Public Authority Accountability Act.
- Entered into a purchase agreement for property at 10-12 W. State Street in Binghamton’s North Side, and a collateral sales agreement, to make the property available to a retailer for a Save-A-Lot grocery store. The neighborhood has been without a full service grocery store for 15 years. Applied for grants from Broome County, the NYS Dormitory Authority (through State Senate President Pro Tem Malcolm Smith), and Restore NY for environmental testing, demotion and site preparation.
- Wrote off the balance of a loan to Olde Fashioned Candies in the amount of \$5,827.58 following the finalization of bankruptcy action. The original loan in the amount of \$23,400 was issued in 1996.

## **Restore NY**

The Economic Development Office applied for \$2,489,490 from the Empire State Development Corp. Restore NY 3 program for six commercial projects. Two involve demolition of vacant property on the City’s north side to make way for the new development of a grocery store and for a new Salvation Army community center. The largest project is the redevelopment of a long vacant property in a prime downtown location for mixed use. The former Midtown Mall at 83 Court Street, was an amalgamation of five buildings facing on Court and Chenango Streets. The \$18 million project will create more than 200 residential units for students and professionals as well as commercial enterprises at street level. Additional proposed projects included the renovation of a vacant State Street property for the offices of a marketing firm expanding into the city, renovation of an office building on the city’s north side for the re-location of

## Binghamton Local Development Corporation 2009 Annual Report

Opportunities for Broome, an anti-poverty agency with which the city partners on many residential developments, and a proposed Recycling Center for Construction and Demolition Waste. In September, ESDC notified the City that an award of \$1,275,510 would be made for commercial projects.

### **Business Visitation Program**

In 2009, the BLDC continued the Business Visitation Program. This program provides the BLDC with the opportunity to learn about a firm's products and services, level of satisfaction with City services, and the various programs of the BLDC. Through our growing awareness of these businesses' products and services, we are able to promote their services to other businesses in the City of Binghamton and surrounding areas.

BLDC also has been in touch with hundreds of prospective businesses over the past year. Through outreach to businesses in other cities and states the BLDC has brought dozens of businesses into the City. This outreach includes marketing vacant properties in the City and encouraging these businesses to take advantage of our low interest loan programs.

### **Fund Administration**

The staff of the Office of Economic Development continues to administer the funds of the BLDC as well as City of Binghamton loans and Interim or Float Loans. The audit of the financial statements for the year ended on August 31, 2009. Piaker & Lyons issued a satisfactory opinion. Included in the administration function is maintaining an accurate record of operations such as receivables/expenditures, loan repayments, banking and monthly accounting. The Economic Development department continued the transfer of bookkeeping to Quickbooks to maintain records more easily and accurately. The administration function includes documentation and monitoring of insurance coverage, UCC continuations, and documentation of job creation/retention. Monthly reports are made to the BLDC Board of Directors who responsible for protecting the integrity of the loan portfolio.

### **Broome County Empire Zone**

During its fiscal year from July 1, 2008 to June 30, 2009, the Broome County Empire Zone went through a reorganization which resulted in the grant administrator duties transferring from the BLDC to Broome County. Despite the change in administrative responsibilities, the BLDC continued to contribute in-kind services to the Broome County Empire Zone and attend monthly Zone Administrative Board meetings.

New York State's Empire Zones Program was created to stimulate economic growth through a variety of State tax incentives designed to attract new businesses to New York State and to enable existing businesses to expand and create more jobs. There are currently 111 Empire Zone certified businesses within the City of Binghamton.

## Binghamton Local Development Corporation 2009 Annual Report

The Broome County Empire Zone, a regional partner in economic development, continues to assist the BLDC in raising interest and leveraging private investment in the City. In early 2009, the Broome Zone, through its Statewide Zone Capital Corporation loan program, provided financial assistance to VMR Electronics, a manufacturer of cable assembly products, for the purchase of production equipment. This financial assistance was only a small part of a much larger project. VMR purchased the former Lander building at 54 & 100 Eldredge Street and 214 Chenango Street in Binghamton, and relocated both its Endicott and Kirkwood operations under one roof, helping to breathe life back into a vacant building. Total project cost was \$4.3 million.

### **Broome Enterprise Triad**

In 2009, the BLDC again was the grant administrator for the New York State Entrepreneurial Assistance Program of Empire State Development Corporation. The prime contractor for this program is the Broome Enterprise Triad consisting of Broome Community College and community volunteers to cover a range of topics including marketing, finance, and market analysis which results in a completed business plan. The program provides individualized and specific assistance to newly opened businesses, providing follow-up support. There were 20 graduates from the Fall 2009 session.

### **Special Events**

The BLDC and Office of Economic Development support a number of special events to promote public interest and commercial development of the City of Binghamton. It accomplishes this by working with a wide range of entities such as Binghamton University, Broome County government, the Downtown Binghamton Business Association, Gorgeous Washington Street Association, Binghamton Downtown, Southern Tier Celebrates and the Greater Binghamton Chamber of Commerce. Some of the major events were:

- Gorgeous Washington Street Association's monthly First Friday
- DBBA's Farmers' Market and Brown Bag lunch time concert series
- Broome County STOP-DWI Chris Thater Memorial Races
- DBBA July Fest, Pirohi Day and 5K Parlor City Run
- Binghamton Blowout Block Party (B3P)
- Columbus Day Parade & Tournament of Bands/Italian Festival
- I Love NY Gymnastics Cup
- Levene Gouldin & Thompson Challenger Tennis Tournament
- Greater Binghamton Business Show
- River Crawls

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION**

**BOARD OF DIRECTORS AND MEMBERS  
2009**

President	Timothy Grippen, <i>Opportunities for Broome Director</i>
Vice-President	Debra Andrako – NBT Bank
Secretary	Don Bergin, <i>Community Leader</i>
Treasurer	Nathaalie Maxwell, <i>Left Board May 2009</i>
Treasurer	Chet Schultz, <i>HSBC Bank – Became Treas. June 2009</i>
Director	Tarik Abdelazim, <i>Executive Assistant to the Mayor</i>
Director	Matthew Ryan <i>Mayor</i>
Director	Mike Atchie, <i>City of Binghamton Acting Director of Planning, Housing &amp; Community Development</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	Robert Weslar, <i>City Council Representative</i>
Director	John Cox, <i>City Comptroller</i>
Member	Sylvia Kerber, <i>Community Leader</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 (left 5/09)	Matthew Zeitz
Financial Analyst (6/09-Pres)	Omar Sanders
Economic Dev. Specialist	Mary Ellen Mauro

**LOAN COMMITTEE**

NBT Bank	Debra Andrako
Corporation Counsel	Ken Frank
City Comptroller	John Cox
Br. Co. Budget Director (left 5/09)	Nathaalie Maxwell
Opportunities for Broome	Timothy Grippen
HSBC Bank	Chet Schultz
Acting Director of Planning, Housing & Community Development	Mike Atchie



# BLDC

Binghamton Local Development Corporation

March 25, 2010

I am pleased to present this Annual Report which highlights the activities and accomplishments of the Binghamton Local Development Corporation and the Binghamton Economic Development Office in the fiscal year from September 2008 through August 2009.

The Board of Directors remained very active and energized, taking on new ventures and exploring new and more effective ways for the BLDC to carry out its mission. The level of loan activity remained stable despite the economic downturn at the national level. The office was busy with outreach and technical assistance, strengthening partnerships with the Small Business Development Center and SCORE as well as financial institutions. The office began actively participating in the weekly preparation and information sessions conducted by Planning to assist commercial developers understand and comply with the city's planning review and code requirements.

The BLDC with its partner the Entrepreneurial Assistance Program (EAP) based at Broome Community College held its first **BLDC-EAP Business Plan Competition**. Ginny Robert, Director of the EAP Program worked with the Outreach and Communication Committee to achieve this important goal. Contestants received a free day-long workshop on how to write a business plan along with individual coaching by Ginny. In May, a dozen entrepreneurs presented their projects in an oral competition before five judges, three from the EAP Advisory Board and two from the BLDC, followed by the evaluation of the written plans. Kathryn Fletcher, BU graduate and CEO of H2Innovations, a communication and web-based networking company housed in the Great Binghamton Innovation Center won the \$5,000 prize. The 2<sup>nd</sup> Annual BLDC-EAP Business Plan Competition is underway now.

The city reached a major milestone when Mayor Ryan's persistent efforts to convince Golden Arches Corporation to sell two small parcels for a community benefit project resulted in the BLDC Board of Directors authorizing the purchase of 10-12 W. State Street to facilitate **development of a Save-A-Lot grocery store**. The residents of the North Side neighborhood had been without a convenient full service grocery for nearly 15 years. The office has worked with the potential retailer, Councilwoman Webb and neighborhood residents since 2006 to find an appropriate location. Construction is expected to start in late spring or early summer.

Another very positive and exciting project involved the BLDC as an instrumental participant in a loan package with multiple lenders to bring **VMR Electronics** into the

---

*A Partner in the Greater Binghamton Coalition*

4<sup>th</sup> Floor, City Hall, 38 Hawley Street, Binghamton, New York 13902-3776 607-772-7161  
Merry Harris, Executive Director maharris@cityofbinghamton.com

city's North Side. We provided the necessary equity investment to leverage an additional \$4 million + to purchase a vacant plant and bring in 250 well paying jobs. VMR continues to grow at a rapid pace providing city residents with job opportunities and stimulating the neighborhood economy.

The interest in development in downtown Binghamton continued to rise, especially for student housing projects. The office was instrumental in bringing in the developer who plans to renovate the historic **former Midtown Mall** for residential and commercial uses. The remediation of a brownfield along Washington Street and the river trail in preparation for the construction of a new student housing project by Newman Development also received support from the office. The project will bring nearly 400 students to **University Suites** a high end residence. Developers eliminated retail or food court space from the plans to further stimulate the downtown retail economy. The office continues to be active in assisting businesses displaced by the clean-up and construction at the site to relocate in the city.

Along with the focus on residential development, small business grew steadily as entrepreneurs saw budding opportunities. Several new cafes opened downtown. One *Escape State Street* created by three Binghamton University graduate students to offer healthy food for lunch and late, late night consumption, a sushi restaurant *Sake-Tumi* and *The Flan Club* bringing Puerto Rican and Cuban cuisine to Henry Street.

## COMMITTIES

### Loan Committee

The BLDC closed on five of the six loans approved in the fiscal year. One from the Microenterprise Fund and four from the Special Projects fund. The loans totaled **\$515,300** and leveraged an additional **\$4,199,504** in private funds for a project total of **\$4,714, 804**. *Loan Committee members: Deborah Andrako, Chair, Tim Grippen, Chet Schultz, John Cox, Kenneth Frank*

The Micro Fund loan assisted a successful restaurant *On the Roxx* to relocate from Washington Street to Court Street with a larger facility and improved visibility. This project took a lot of support work by staff because the business was under a critical time line to move after the land was purchased for construction of the student housing project.

Special project loans went to the mixed use redevelopment of the upper stories of a commercial a property at *142 Court Street* for student housing. This followed the model used the prior year to develop a similar project at *97 Court* with the BLDC providing post construction financing. VMR accounted for the two additional Special Project loans and no project could have better demonstrated the value of that loan program.

The **Strategic Priorities Committee** continued to evaluate our low-interest loan programs to support the City's economic development priorities and the changing local economy. The Committee strongly supported the acquisition of the property for the grocery store as consistent with one of the possible alternative sources for revenue generation that the committee had been considering.

*Members: Sylvia Kerber, Chair, Deb Andrako, Ron Sall, Don Bergin, Mike Atchie*

The **Governance Committee** gets the prize for most activity. Extensive new requirements for transparency and reporting to the State-mandated review of the regulations with the BLDC by laws and governance principals and adoption or amendment of several policies including financial and conflict of interest disclosure. Several meetings were devoted to understanding and planning for compliance with the NYS Public Authorities Accountability Act which requires massive amounts of information to be submitted electronically to the State Controller's Office website for public access. Mary Ellen Mauro is to be credited with making major strides toward completion of the data compilation and entry.

*Members: Lea Webb, Chair, Patricia Cummings, Kenneth Frank*

The **Outreach and Communication Committee** suffered from the loss of its vibrant leader Nathaalie Maxwell, but did carry on with the Business Plan Competition and implementation of its marketing plan. Joel Boyd created beautiful new signs that were placed at several BLDC funded project sites. The brochure underwent some revisions and reprinting and plans were laid for a networking event among BLDC borrowers, the Board and potential entrepreneurs.

*Members: John Patterson, Chair, Lea Webb*

BLDC initiated use of the New York State **Main Street Program** grant of \$200,000 to assist property owners with façade and renovation improvements with a project on Washington Street. Several additional property owners have met with staff and expressed interest in the program, however, it has been more of a challenge than anticipated. The office continues to aggressively work with property owners in the targeted area to use the funds by August 2010.

Our interaction with **Binghamton University** especially the on-campus think tank **CIC2020** continued to strengthen. We participated in the CIC Leadership Institute "Leading from the Confluence" which once again produced amazing project papers on strategies to attract and retain young talent in building the creative core of knowledge based economy. The office again hosted multiple interns from BU during both semesters and the summer. Special kudos to Alex Weiser who interviewed more than 40 downtown business and property owners on why they choose to invest in the city and what improvements they would like to see. He compiled the results into a useful report for consideration by staff and Board Committees in improving our marketing and services.

The office participated in the **Restore New York 3** application process with a proposal for six commercial projects along the Chenango-State Street corridor. The request for \$2,489,490 was expected to leverage an additional \$18 million of projects. In October the City learned that \$1,275,510 would be awarded to support five of the six projects.

The office participated in **the Sustainable Development and Smart Growth Commission**, a part of the Mayor's Partnership for Change initiative since the spring. BEDO-BLDC particularly focused on strategies and incentives to generate sustainable development in the city. Mid-year we moved to the implementation phase which continues with interns focused on identifying local green development resources and best practices to incentivize sustainable development. The office works closely with the Sustainability Planner in these efforts, particularly on organizing a Smart Growth Summit. The commitment to sustainable development has been inserted into BLDC applications and marketing materials and clients regularly receive information on energy savings programs. Assistant Director Joel Boyd participated for the second year in a "Green Building" conference, and continues efforts to promote use of Historic Tax Credits for the preservation and redevelopment of the city's architectural treasures. The Executive Director attended a green development workshop in Syracuse that provided excellent information and contacts.

In June, the BLDC welcomed **Omar Sanders** as its new Economic Development Specialist – Financial Analyst. Omar had served as an outstanding intern in the office in the summer and fall of 2008 and his experience provided the basis for his capstone project for in the Masters in Public Affairs program. We were fortunate to lure him into the job following his May 2009 graduation from the BU College of Community and Public Affairs. Omar is a great addition to the office with multiple talents and lots of energy. He has demonstrated his strong commitment to the community and social entrepreneurship by organizing "Party with a Purpose" with several other recent grads to generate funds for the BU Philanthropy Incubator through enjoyable social networking events at city restaurants. In January Omar completed the Economic Development Finance course offered by the National Development Council.

Executive Director also continues to be active in the **Urban Council**, a Syracuse based advocacy organization for urban commercial centers, which produced a white paper that was widely circulated to policy makers in Albany. She recently joined SUNY Business & Education Cooperative of the Southern Tier "**SUNY BEST**" an organization of education and economic development institutions that collaborate on workforce development.

Omar and Merry established a relationship with the **Syracuse Tech Garden** which provides a variety of tech related programs and service. They continue to strengthen links to **Binghamton University's Technology Transfer Office** and the Entrepreneurship across curriculums program in an effort to plan for effective

development and local retention of emerging technologies.

**Marketing** efforts continued throughout the year with participation in multiple community events and Economic Development forums. The BLDC again joined the “One Stop” economic development area at the 2009 Greater Binghamton Business Show in April. Joint marketing projects with city commercial districts produced two rounds of TV promotions featuring “buy local” and “discover downtown” themes along with “buy local – shop downtown Binghamton” reusable shopping bags for the holiday season. In the fall of 2008 the city organized a First Friday fashion show featuring seven downtown clothing stores and a wide variety of fashion options. A welcome sign with the message *Binghamton – A Place to Invest and Grow* was placed at the Greater Binghamton Airport. Advertising included the Greater Binghamton Chamber Directory, Southern Tier Celebrates, several tourist and student directed maps, and a new series of themed street banners used primarily for the Chris Thater Memorial Races.

As I have said for the past four years, the activity, energy and enthusiasm of the BLDC Board and staff never ceases to impress me. We accomplish a lot with relatively few resources and I commend my staff for their dedication and willingness to do what it takes to promote the city and mission of the BLDC. As I said above, the increased interest in development in the city despite state and national trends is a great opportunity and I believe we are well situated to capitalize on our advantages. I appreciate the engagement, resourcefulness and support of the BLDC members and staff in working to reach our goals for sustainable development and smart growth in the City of Binghamton. I look forward to an even more productive year.

Sincerely,

A handwritten signature in cursive script, appearing to read "Merry A. Harris".

Merry A. Harris, Executive Director  
Binghamton Local Development Corporation