



**THE COUNCIL OF THE CITY OF BINGHAMTON
STATE OF NEW YORK**

Date: May 6, 2020

Sponsored by Council Members: Scaringi, Resciniti, Riley, Friedman, Burns, Strawn, Scanlon

Introduced by Committee: Finance

RESOLUTION

entitled

A RESOLUTION AUTHORIZING A
BINGHAMTON LOCAL DEVELOPMENT
CORPORATION REVOLVING FUND LOAN TO
THE BROOME COUNTY COUNCIL OF
CHURCHES IN THE AMOUNT OF \$150,000

WHEREAS, on April 23, 2020, the Binghamton Local Development Corporation ("BLDC") adopted Resolution 20-9 approving a revolving fund loan to the Broome County Council of Churches in the amount of \$150,000 for a new grocery store to be located at 435 State Street, Binghamton, New York; and

WHEREAS, a copy of BLDC Resolution 20-9 setting forth the terms and conditions of such loan is annexed hereto and made a part hereof; and

WHEREAS, City Council is required to approve any loan in excess of \$25,000.00 by the BLDC.

NOW, THEREFORE, the Council of the City of Binghamton, duly convened in regular session, does hereby:

RESOLVE, that City Council approves and authorizes the BLDC to give a revolving fund loan to the Broome County Council of Churches in the amount of \$150,000 for a new grocery store to be located at 435 State Street, Binghamton, New York; and be it further

RESOLVED, that BLDC Resolution 20-9 setting forth the terms and conditions of such loan is annexed hereto and made a part hereof.

Introductory No. R20-42

Permanent No. R20-41

Sponsored by City Council Members:
Scaringi, Resciniti, Riley, Friedman, Burrs, Strawn,
Scanlon

A RESOLUTION AUTHORIZING A
BINGHAMTON LOCAL DEVELOPMENT
CORPORATION REVOLVING FUND LOAN TO
THE BROOME COUNTY COUNCIL OF
CHURCHES IN THE AMOUNT OF \$150,000

The within Resolution was adopted by the Council of
the City of Binghamton.

Date 5/6/2020

City Clerk Resciniti & Ferguson

Date Presented to Mayor

Date Approved 5/6/2020

Mayor [Signature]

	Ayes	Nays	Abstain	Absent
Councilman Scaringi	✓			
Councilwoman Resciniti	✓			
Councilwoman Riley	✓			
Councilwoman Friedman	✓			
Councilman Burrs	✓			
Councilman Strawn	✓			
Councilman Scanlon	✓			
Total	7	0	0	0

Code of the City of Binghamton

Adopted Defeated

7 Ayes 0 Nays 0 Abstain 0 Absent

I hereby certify the above to be a true
copy of the legislation adopted by the
Council of the City of Binghamton at a
meeting held on 5/6/2020. Approved
by the Mayor on 5/7/2020.

[Signature]

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

April 23, 2020

RESOLUTION 20-9: A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION ("BLDC") APPROVING A REVOLVING FUND LOAN TO THE BROOME COUNTY COUNCIL OF CHURCHES IN THE AMOUNT OF ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00) FOR A NEW GROCERY STORE TO BE LOCATED AT 435 STATE STREET, BINGHAMTON, NEW YORK

WHEREAS, the Broome County Council of Churches (Borrower), has submitted an application for a loan through Binghamton Local Development Corporation (BLDC) for a new grocery store to be located at 435 State Street, Binghamton, New York; and

WHEREAS, said loan application meets all eligibility requirements set forth by the BLDC Revolving Fund Loan Program; and

WHEREAS, the Borrower demonstrates adequate cash flow to support the loan and the loan will be secured by a grant from the Dormitory Authority of the State of New York (DASNY); and

WHEREAS, the BLDC staff & loan committee have reviewed the said application and recommend it for approval; and

WHEREAS, said loan shall be funded from miscellaneous repayments to the City of Binghamton Community Development Block Grant (CDBG) fund; and

WHEREAS, the loan will require the creation of 5 new jobs, 51% of which must be hired from individuals in the HUD defined low-moderate income categories.

NOW, THEREFORE; the Board of Directors of the BLDC, duly convened at a regular meeting hereby does;

RESOLVE, that the Revolving Fund Loan to the Broome County Council of Churches is hereby approved in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) and be it further

RESOLVE, that this Loan in the amount of \$150,000.00 shall be secured and paid in full when Borrower receives funding from the DASNY Grant in the amount of \$150,000.00; and be it further

RESOLVED, that the note and terms of said loan together with the loan collateral shall be listed in the narrative attached hereto; and be it further

RESOLVED, that this loan is not likely to have a significant impact on the environment as it is for, acquisition of an existing structure; and be it further

RESOLVED, that the BLDC shall gain the approval of Binghamton City Council for this loan, and be it further

RESOLVED, that after approval from the City Council the BLDC is hereby authorized and empowered to transmit a letter of commitment to said applicant.

I, Ron Sall, hereby certify the above resolution was approved by the Binghamton Local Development Corporation at regular meeting held on April 23, 2020.



Ron Sall, Secretary
Binghamton Local Development Corporation

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
APRIL 23, 2020

Project Profile:

Borrower: Broome County Council of Churches (The Northside Market)
Loan Amount: \$150,000.00
Loan Program: Special Projects Revolving Fund Loan (Restricted)
Rate: 75% of Prime rate published in the Wall Street Journal
Term: To be re-paid in full when borrower receives State Funding from DASNY Grant in the amount of \$150,000

Collateral/Guarantors: Proceeds from DASNY grant

Job Creation:

HUD rules for job creation for this loan is five employees, three of which is to be of low/moderate income level. The market will focus on hiring residents from the Northside to staff the store. The store will hire eight part-time workers who will be paid \$12 per hour and will work the cash registers and help stock the store. In addition, they will hire three store managers at \$45,000 per year that will report to the Executive Director of the Broome County Council of Churches. These managers will run the operations, ensure quality, run advertising and report sales to the Finance Director of the Council of Churches. The store will also utilize eight volunteer positions for inventory stocking and cleaning. These volunteers will primarily be CHOW Works employees through the Welfare to Work program that is paid through a contract with the Department of Social Services. Benefits and salaries will be reviewed and administered by the Broome County Council of Churches.

Project Description:

The North Side of Binghamton has been without a grocery store for the last two decades. The Northside Market is a collaboration between Your Bargain Grocer in Utica and the Broome County Council of Churches. The grocery store will be located on the first floor of the Canal Plaza housing complex that is currently under construction at 435 State Street on the Northside of Binghamton. The market will be a 5,083 square-foot neighborhood store focusing on fresh fruits and vegetables, meats and dairy products that will be offered at discounted prices. State Street and West State Street surround the building with multiple entrances to a large parking lot for customers to use. The three floors located above the store will contain affordable apartments allowing the market to serve those residents directly as well as the residents of the Town and Country Apartments just 800 feet away from the location, among others

According to the Broome County Council of Churches population data indicates there are approximately 1,800 Northside residents with just over 46% of its residents living in poverty and require government assistance to meet their food needs. Due to the economic demographics the market will accept EBT, SNAP, WIC, credit cards and cash. The only stores within a mile radius

of this area is the Family Dollar, CVS and various small mini-markets and corner bodegas. Although these stores do sell limited amounts of eggs, milk and bread they do not sell fresh meat, fruit and vegetables.

Project Scope:

Sources:	Percentage	
	*	
2019 Community Dev. Block Grant	22%	\$150,000
DASNY/BLDC Loan **	22%	\$150,000
Hoyt Foundation	11%	\$75,000
2019 Community Foundation Grant	3%	\$20,000
United Way	7%	\$45,000
Klee Foundation	22%	\$150,000
Mee Foundation	10%	\$65,000
Corporate Grant Funding	3%	\$20,000
Total	100%	\$675,000
Uses:		
Architectural Fees- Store Layout	.8%	\$4,500
Materials and Copies of Plans	.2%	\$750
Construction Cost	43%	\$286,000
Contingency Fund	4%	\$28,750
6 months Labor/SGA/Overhead	22%	\$150,000
Phone System	1.5%	\$10,000
Security System	1.5%	\$10,000
New Building Fixtures	23%	\$155,000
Initial Product Cost of Goods Sold	4%	\$30,000
Total	100%	\$675,000

** All percentages rounded to the nearest percent.*

***The 2019 State Funding (DASNY) grant will be used to repay the BLDC Loan. Proceeds from DASNY in the amount of \$150,000 will be used exclusively to re-pay the BLDC Loan and funds are expected to be received within 12 months of project completion.*

Application & Closing Fees, Projected Interest Expense to be reimbursed by CDBG funds:

Item	Description	Total
Application Fee	1% of the loan up to \$1,000	\$1,000.00
Closing Fee	2% of the loan, due at closing or within 90 days	\$3,000.00
Interest Expense	3/4 of prime rate fixed (3.25%) = 2.4375%	
	For 12 months, total interest is \$1,987.84	\$1,987.84
	For 18 months, total interest is \$2,911.17	
Total...		\$5,987.84

