

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION
REGULAR MEETING MINUTES
THURSDAY, APRIL 23, 2020**

ATTENDANCE	2019								2020			
	6/27	7/27	8/22	9/26	10/24	11/14	11/25	12/19	1/21	2/27	3/26	4/23
Directors												
David , Rich	P	P	N/A	N/A	P	P	P	P	P	P	P	P
Berling, Juliet	P	P	N/A	N/A	EX	P	P	P	EX	P	P	P
Burns, Joe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	P	P	EX	P
Frank, Kenneth	P	EX	N/A	N/A	P	P	P	P	P	P	P	P
Jacyna, Mary	P	P	N/A	N/A	P	P	P	P	EX	P	P	EX
Koffman, Betsy	EX	P	N/A	N/A	P	EX	EX	P	P	EX	EX	P
Sall , Ron	P	P	N/A	N/A	P	P	EX	P	P	P	P	P
Saraceno, John	EX	P	N/A	N/A	P	P	P	P	P	P	P	P
Shager, Chuck	P	EX	N/A	N/A	P	P	P	P	P	P	P	P
Smith, Art	P	P	N/A	N/A	P	P	P	P	P	P	P	P
Strawn, Philip	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	EX	P	P	EX
Stromhaug, Per	P	P	N/A	N/A	P	P	P	P	P	EX	EX	P
Staff												
Joel Boyd	P	P	N/A	N/A	P	P	P	EX	P	P	P	P
Lesley Cornwall	P	P	N/A	N/A	P	P	P	EX	P	P	P	P
Other												
Teresa Arington	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P
Steve Carson	P	P	N/A	N/A	P	P	N/A	P	P	P	P	P
Paul Nelson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	P

President Saraceno called the Regular Monthly Meeting to order at 9:09 AM.

APPROVAL OF THE MINUTES OF THE MARCH 26TH REGULAR MEETING

President Saraceno asked for a review of the March 26, 2020 Regular Meeting minutes. R. Sall motioned, C. Shager seconded and the minutes were approved (9-0-0).

PRESENTATION OF THE MARCH 2020 TREASURER REPORT

T. Arington presented the March report and discussed the Restricted Account Projected Loan Income of \$52,346.42 for the period of September 2019 to March 2020, and said the year to date actual income only totaled \$7,491.48 due to borrower defaults. She noted the CHAR-500 annual filing fee of \$275.00; the auditors are pursuing a filing exemption however this will remain as an annual filing fee. Concerning the Restricted Account she noted the long standing delinquencies of VMR Electronics, On the Rocks and Mountain

Fresh Dairy. She mentioned staff had spoken with Innovation in Imaging two days earlier and it was understood that the March payment was forthcoming. The UDAG account had an end of month balance of \$995,496.01. Three of the new COVID-19 Emergency Loans had just been approved for Foam-It Insulation, Matzo Industries and Kell Enterprises and would appear on the May report. The UDAG Accounts Receivable Report indicated 18 open loans. Two payers were caught up and ahead, notably Zach Salisbury-QOLA and FDG paid through April, 2019. The UDAG Unrestricted Account had an end of month income balance of \$5,211.97. There was no change in the balance for the Broome Enterprise Triad account as well as the Mayor's Veterans Initiatives account which had a balance of \$52,729.91. The Grant Account had an ending balance of \$5,938.76; the only activity was filing fees of \$480.00 for the recording of Property Maintenance Declarations for the NY Main Street Program. The delinquency percentage of all loans not designated as non-performing was 0.24%. President Saraceno asked about the \$275.00 filing fee with NYS for the CHAR-500, if that would go away following the efforts of the auditors to remove this filing requirement. C. Shager said the auditors' effort was to remove the IRS 990 filing requirement and this would relieve the BLDC of having to file the CHAR-500; he said the fee paid to the State would remain but the auditing cost (approx. \$1,500.00) of preparing the filing would go away. R. Sall asked about the status of collection efforts with VMR Electronic, Mountain Fresh Dairy and Jrama's. K. Frank said VMR was in bankruptcy and assumed there would be no restitution. With regard to Mountain Fresh, he said he had submitted an affidavit prior to the court system shutting down because of the pandemic; the courts were not taking action on anything deemed non-essential. Concerning Jrama's Catering a judgement was being filed and it would garnish the wages of one of the guarantors. R. Sall asked if Jrama's would owe interest. K. Frank explained that the debt continues to accrue interest; the debtor would have to pay interest owed to the BLDC and following the issuing of the judgement would pay the BLDC interest plus the interest on the balance going forward at the statutory rate. Presently the judgement could not be filed because the County Clerk's Office is temporarily closed; the garnishment cannot be accomplished until the judgement is filed.

P. Stromhaug joined the meeting at 9:17 AM.

Old Business: none

New Business:

Status of BLDC COVID-19 Emergency Small Business Loan Applications: Mayor David said there have been 4 loan closings for the new COVID-19 Emergency Small Business Loan Program which the Board had approved last month: Relief Pitcher;

Tom's Coffee, Cards & Gifts; Matzo Signs and Foam-It Insulation. He said the loans totaled \$60,000.00 and involved 62 jobs and that there had been over 50 inquiries for the program, some from outside the city, a number are in process. The Mayor said a number of businesses had inquired and decided to pursue the Small Business Administration's Paycheck Protection Program and the Economic Injury Disaster Loan Program. He said he expected more loan closings by the next meeting and that the program was off to a good start.

RESOLUTION 20-08: A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION ("BLDC") AUTHORIZING SALE OF 30 CHARLES STREET TO BOWERS DEVELOPMENT, LLC

President Saraceno introduced the Resolution and asked the Mayor to provide details for the Board. Mayor David said the sale was a package deal that included the residual acreage in the Charles Street Business Park and the Binghamton Cogeneration Plant. Mayor David said at the prior evening's City Council meeting, the sale of the power plant was approved with Bowers Development of Syracuse, NY. He said the developer proposed a \$25 million investment including the construction of a 150,000 – 250,000 SF warehouse space for tenants and to utilize the power plant to provide low-cost, redundant electricity. He said there was a niche market that needed redundant sources of power and require large amounts of power whether as data centers or as food storage, cold storage or as a distribution facility, etc. He said a contract had been put together to sell the property at the price originally paid to the Broome County Industrial Development Agency of \$30,000 per acre plus a small administrative fee. Council agreed to sell the power plant for \$500,000, the plant was originally donated to the City. He said there would be a due diligence period where there would be some additional environmental testing. He said he had given brief updates at prior meetings, but now it had come to fruition. He expected there would be up to 200 construction jobs and ultimately 150-250 good-paying jobs at the site when it is complete. He thought it was the best of both worlds with regard to the State's clean energy initiatives and future uses for the plant and leveraging the investment of one into the other and was a good deal for the City and the BLDC. He said Bowers Development had done work in Syracuse, Canastota, and Utica, various types of projects in cities across upstate NY; he said this was the first involving a power plant. He said they had brought on board energy consultants and would be working with companies that specialize in managing cogeneration plants. He recalled a number of years ago the City had explored using the cogeneration plant to create municipal electric but due to State regulations and approvals, working with NYSEG, as well as duplication of distribution infrastructure the initiative proved to be cost-prohibitive and State approval seemed unlikely. He said he thought the project

would be great for the First Ward and the City overall. President Saraceno said the project was unique for the that fact that it combined an industrial park with a power plant and that it would create added value and should be of great benefit to the neighborhood and the City. Mayor David agreed and said that for a long time people viewed the power plant as a negative and a blight on the community. He said the administration had been able to maintain a vision for the park. He reiterated his gratitude for the Broome County Industrial Development Agency's management of the park and that they were willing to put together a very flexible deal to enable the City to acquire the park. He said many people were concerned that the park had remained vacant for a long time without much development interest. Because the City regained control of the park it was able to give the site increased attention and helped stimulate redevelopment with one large project. He repeated his thanks to City Council for quickly approving the sale of the power plant and recalled how 2½ years prior the former Council had to react quickly to accept the donation of the plant before the end of 2017. He said that was an opportunity and expressed appreciation to members of the BLDC Board and City Council that made that possible. President Saraceno asked for a motion to approve the resolution, R. Sall motioned, K. Frank seconded and the motion passed (10-0-0).

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

President Saraceno introduced the Resolution and again asked the Mayor to provide details for the Board. Mayor David said Broome County Council of Churches' CHOW Program was going to be putting the community grocery store in one of the 5,000 SF pods at the 435 State Street/Canal Plaza Project. He said the City of Binghamton was giving the project \$150,000.00 grant through the through its CDBG federal allocation and NY State was giving the project \$150,000.00 in funds through DASNY and the efforts of NYS Senator Akshar. Mayor David said the BLDC loan was more from a processing standpoint. CDBG funds and State funds are reimbursable, meaning the money had to be spent first, receipts were presented and then it would be repaid. He said the BLDC would be providing 100% of the bridge loan to get the project started. He said CHOW was ready to get started; Canal Plaza was delivering a vanilla box buildout, and now was the time for actual store construction to begin. He said the BLDC's funds would get the project started, then CDBG funds would be advanced to the project, then State funds (DASNY) would reimburse the project and would be the source of repayment for the BLDC loan. He said interest and fees associated with the loan (approximately \$6,000)

would be repaid by CDBG funds that the City continues to invest in the project. Mayor David said it was a unique project in that it was funding a non-profit venture and was a City-sponsored project, it had put money into the development of Canal Plaza, \$215,000 in federal HOME monies and \$175,000 in the store itself. He reiterated that State and Federal monies were involved with the project and that the BLDC would be repaid. President Saraceno recalled that the grocery project had been a long-standing priority for the BLDC since he started with the Board and now a few years later it seemed the project was finally launching. Mayor David said it seemed this was a year when projects discussed for a long time were coming to fruition and said that some of the biggest challenges faced by the City had been solved by the partnership with the BLDC. President Saraceno asked for a motion to approve the resolution. R. Sall motioned, K. Frank seconded and the motion was approved (10-0-0).

RESOLUTION 20-10: A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION (“BLDC”) AUTHORIZING THE PRESIDENT OF THE BLDC TO EXECUTE A ONE (1) YEAR EXTENSION OF LEASE WITH NO INCREASES WITH THE BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY (BCIDA) AND BOSCOV’S DEPARTMENT STORE, LLC, (BOSCOV’S) AND THE CITY OF BINGHAMTON FOR LEASE OF THE PROPERTY AT 11-13 COURT STREET, BINGHAMTON NEW YORK

Mayor David asked for an add-on of Resolution 20-10. President Saraceno agreed and the Mayor asked for authorization from the Board. He said the initiative was proactive, in the last two years the Board extended the lease with Boscov’s and at this point he was seeking a third extension with the exact same terms and conditions to extend for another year; the existing extension was due to expire April 30th, the new term would be May 1, 2020 to April 30, 2021. He said the PILOT payment of \$135,061.00 would remain the same as it had been under the previous two extensions of the original extension. He said there was also a \$25,000.00 annual parking payment to the City which was presented to Council at their Monday night work session which would go to vote at their first Business Meeting in May. The Mayor said the store was closed and did not know when it would reopen following the Governor’s PAUSE-NY order but that he was in regular contact with the store’s management. He said it might be a matter of months but he thought the Governor’s Office indicated it was reacting positively to a funding proposal for the building that would enable the City to enter into a long term lease with Boscov’s. President Saraceno asked for a motion to approve the resolution. K. Frank motioned, R. Sall seconded and the motion was approved (10-0-0).

Mayor's Remarks:

Mayor David said looking at the agenda the three resolutions represent three significant projects that were important for the short and long term recovery of the City.

Concerning the 7 Hawley Street parking ramp project, he said construction was underway for the third week – the foundation was almost fully dug-out and said he thought crews would start pouring concrete in the following month. He said the project started on time and the weather had been cooperative. He said after years of inactivity it was great to see the project underway. He said the City had almost doubled its MWBE requirements, subcontractors are all local so that meant money staying in the local economy. He said the City's goal was to open the facility by the end of the year.

Concerning 435 State Street, he said the project was on track as well with an early September opening projected; the developer is advertising to lease the residences and CHOW was about to start its community grocery store buildout. He said the façade was complete and said he would be making some tours of the completed space in the next few weeks. He said there had been inquiries on the remaining acreage to the parcel. A recent newspaper article indicated the adjacent Colonial Plaza had been sold to a Long Island developer. He said of particular interest was the developer commented that he was attracted by the development taking place at the Canal Plaza next door and the development taking place at the Town & Country Apartments across Chenango Street. The Mayor said both projects involved the City of Binghamton and the BLDC. The Mayor said when City Hall takes the lead with these investments and projects and builds partnerships with stakeholders, the private sector follows. He said he had never met or contacted the investor but thought it was great the newspaper printed it. On Liberty Street, the Family Enrichment Network's \$4 million project to build a homeless housing project broke ground approximately three weeks prior. He said the parcels were owned by the City, it was a blight cluster of seven properties that were consolidated into a large parcel for development; he said the City contributed HUD HOME funding for part of that project as well. Concerning the Metrocenter plaza project he said that project was continuing in the design phase and anticipated it entering into construction this fall when PAUSE-NY restrictions are lifted. He said City street reconstruction projects – milling & paving – are continuing with Court Street being replaced, improving the gateway to the downtown. Concerning Boscov's he said the effort had been challenging over a number of years due to myriad state and local concerns in addition to the COVID-19 crisis but it was another public-private partnership project that the administration was doing everything it could to assure would not get forgotten and was still moving forward. He said he thought this was the year that the City would get good news on that project. Lastly, he discussed the announcement made in the prior week about shifting the focus of the City's economic development office to economic development and recovery with the addition of Paul Nelson, formerly the Planning Director for the Town of Union for the last 18 years and

previously was Director of Planning, Housing & Community Development with the City of Binghamton during the Bucci administration. He said the City was getting \$1.7 million from CDBG under the CARES Act and HOME money in addition to the \$350,000 allocated by the BLDC. He said the City was committed to getting money out the door as quickly as possible to assist people with rent and utility payments through the ESG as well as small business grants and loans. He said the City was fortunate because Steve Carson did an excellent job handling the City's CDBG, HOME and ESG funds. While there was no Executive Director for the BLDC or Economic Development, Mr. Nelson was committed to helping facilitate the office getting money out the door. He complimented Steve Carson and Paul Nelson as being the most expert in the area with regard to HUD programs to help the City in this challenging time. He said the City was entering a lengthy period where the new-normal would be assisting businesses to stay on their feet and new enterprises to get started, that it would be a long time before business conditions returned to the status of a month ago. He thanked the staff of the office for rising to the new challenges and thanked Board Members for their continued support.

There being no further business to come before the Board, President Saraceno asked for a motion to adjourn the meeting. K. Frank motioned, R. Sall seconded and the motion passed (10-0-0). The meeting ended at 9:55 AM.

Ron Sall, Secretary
Binghamton Local Development Corporation