



Annual Report 2010



Matthew T. Ryan, Mayor
Merry Harris, Executive Director

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

BOARD OF DIRECTORS AND MEMBERS 2010

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Secretary	Don Bergin, <i>Community Leader</i>
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Director	Sean Massey, <i>City Council Representative</i>
Director	John Cox, <i>City Comptroller</i>
Director	Marie McKenna, <i>Business Owner</i>
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Member	Ron Sall, <i>Community Leader</i>
Member	John Patterson, <i>Community Leader</i>
Member	Kathryn Fletcher, <i>Business Owner</i>

ADMINISTRATIVE STAFF Office of Economic Development

Executive Director	Merry Harris
Assistant Director	Joel Boyd
Financial Analyst	Omar Sanders
Economic Dev. Specialist	Mary Ellen Mauro

BLDC

Binghamton Local Development Corporation

March 24, 2011

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 2009 through August 2010.

The BLDC Board of Directors continues to look for new opportunities to achieve its Mission, which in 2010 it expanded to include “**fostering entrepreneurship and innovation**” to more vividly reflect our commitment to “growing our own” and the regional emphasis on taking our innovative heritage into to the 21st Century. The **BLDC Board of Directors welcomed four new members** each of whom brings valuable orientation and expertise to the group. Sean Massey, 5th District City Council Member, who as an Assistant Professor at Binghamton University and co-owner of Tranquil Bistro offers several helpful perspectives. Marie McKenna is the owner of The Lost Dog Restaurant where in addition to excellent food; the community can get ample helpings of culturally enriching and sustainable business events. Marie is also one of the key organizers of the very successful Restaurant Week biannual promotion that started in 2010. Scott Hancock, Director, IP Management and Licensing in Binghamton University’s Technology Transfer program brings not only a direct connection to BU’s research capacity but also a global perspective from his experience in economic development outside the US. Kathryn Fletcher, 2009 BLDC Business Plan Winner and former BU CIC2010 Director, offers another link to the university and young entrepreneurs. Her business, BiziLife Ventures promises to further connect students and the community. Each one of our new members has added significantly to the Board’s performance.

As always, the Board consistently reviews BLDC loan programs and initiatives in light of changing economic conditions and their impact on the city to assure that we are positioned to be responsive. No major program changes were made in this fiscal year.

The level of loan inquiry remained stable despite the economic downturn, however in many cases borrowers found that securing the traditional financing to complete projects to be more challenging. The BLDC closed on one **Commercial Façade Loan** and three other projects approved in prior year were completed.

The biggest success of the year was the implementation of the **NYS Main Street Grant** we were awarded in 2008. That effort had gotten off to a slow start in earlier years, but in 2010 BLDC Financial Analyst Omar Sanders, aided by BU Interns, put on

A Partner in the Greater Binghamton Coalition

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Merry Harris, Executive Director maharris@cityofbinghamton.com

a strong push to contact eligible property owners. The details and photos of some of the upgraded properties appear further on in the report. I am happy to announce that we leveraged more than double the grant amount of \$200,000 in private investment and exceeded the program goals for properties rehabilitated.

Outreach and technical assistance are a mainstay of our operations. BLDC participated in two small business round tables sponsored by Councilwoman Webb, the annual Chamber Business Show, EAP Classes and numerous individual meetings with representatives from partnering financial institutions. We met with companies from across town to across the globe to assist with location and market analysis.

As part of the BEDO-BLDC commitment to green job creation, the office partnered with Broome Community College Office of Continuing Education and NYSERDA to host an “Energy Efficiency Showcase” at the College in June. The aim of the half day program was to bring consumers together with local contractors and experts in the field of energy conservation and incentives to help build the market.

The BLDC with its partner the Entrepreneurial Assistance Program (EAP) based at Broome Community College held the second annual **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 who were not participants in or graduates of the EAP program received a free day-long workshop on how to write a business plan along with a manual and DVD on the topic and individual coaching by Ginny. In May, a dozen entrepreneurs presented their projects in an oral competition before judges, from the EAP Advisory Board – Diane Julian of NBT Bank and Bill Ritter from SCORE and BLDC Board Members Deb Andrako and Marie McKenna, followed by in depth review of the written business plans. **Natalia Williams** won the \$5,000 prize for her innovative new business **Integrated Office Services (IOS)**. Natalia moved to the Binghamton area from Denver and graduated from BU. Her business provides professional office space and administrative services to small companies on an as needed basis. She used the BPC grant to purchase a sophisticated communications systems that enables the company to provide individualized phone lines and answering services. One of the advantages of supporting IOS is that it serves as a “second stage incubator” to foster the growth of additional small business in the city. The 3rd Annual BLDC-EAP Business Plan Competition is underway now.

The interest in development in downtown Binghamton continued to grow, especially for student housing projects. 2010 added plans for yet another major luxury student housing complex with the conversion of the former bank and office building at **20 Hawley Street** into 55 apartments with 210 beds. **Alfred Weissman Real Estate** based in Rye New York immediately became a strong partner with the city and BU CIC2020 for high quality development and engagement. Both 20 Hawley and University

Suites 351 bed new construction on Washington Street are schedule to open in August 2012.

BEDO supported the collaboration of several downtown restaurants to launch the city's first **Restaurant Week** in March. Seven dining establishments participated in the spring event which featured a \$20.00 dinner special and donated a portion of the proceeds to the Binghamton Boys and Girls Club. The response was overwhelming and plans immediately got underway for a fall event. Twice as many restaurants participated in the September 21-30 week and an \$8.00 lunch special was added. CHOW benefitted from the fall event. The office looks forward to supporting these very successful and enjoyable events in the future.

In brief, here are some additional highlights of the year:

- Implemented **Restore 3 Commercial Grant** with the demolition of the buildings on BLDC owned property at 10-12 W. State Street and redevelopment of 5 W. State Street by OFB, 199 State by Vibrant Creative
- Facilitated development of 3 **downtown student housing** projects and sale of the **Regency Hotel**
- Launched *Binghamton Linked*, social media network focused on economic development and targeted to the "creative class" & "knowledge economy" sectors
- Collaborated with BU think tank CIC2010 on the annual Leadership Institute carrying the theme of "Leading from the Confluence – Young Leaders and the Knowledge Economy."
- Hosted ten interns from Binghamton University in fall, spring and summer placements
- Supported completion of the **Martin Luther King Jr. Memorial Promenade** by channeling funds for the sculpture and plaques recognizing civil rights heroes.
- Updated City videos through CGI Communications
- Sponsored and supported numerous events to promote the city (River Crawl, July Fest/Jazz Fest, Parlor City 5 K run, Columbus Day Parade/Italian Fest, First Friday)



And, finally one regret. A year ago we looked forward to a partnership with Save-A-Lot to open a grocery store on the north side of Binghamton on property at 10-12 W. State St., purchased by the BLDC for that purpose. Changes in the economy and the business plan and position of the retailer with whom we had been working for five years along with concerns about the viability of an alternative location, intervened to derail the progress. A full service grocery store for the north side remains a priority and we continue to work with not only SUPERVALU the corporate entity for Save-A-Lot but to explore alternatives.

This is an exciting time to be active in the development and resurgence of the City of Binghamton. I think we have all seen the positive changes over the past five years and look forward to the opportunities before us. The BLDC Board of Directors is engaged and resourceful. Their leadership and creativity as well as the support for staff and programming are exceptional. As we face decreasing funding from the federal government we will all do our best to maximize the investment in the BLDC-BEDO and in turn our city. I commend my staff, Joel Boyd, Mary Ellen Mauro and Omar Sanders for their energy, innovation and commitment. I look forward to another productive year moving us forward with sustainable development.

Sincerely,

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

Merry A. Harris, Executive Director
Binghamton Local Development Corporation

BLDC COMMITTEE ACTIVITY 2009-10

Loan Committee

The BLDC closed on only one of the three loans approved in 2009-10. That was Commercial Façade Improvement Loan in the amount of **\$48,750.00** for a \$65,000.00 project to install siding on the JFT Rogers construction building at 36 Tompkins Street on Binghamton's Southeast Side. The Loan leveraged and additional \$16,500. Two other loans one special project for \$240,000 and a Revolving Fund loan for \$35,000 were approved but not closed. The Loan Committee also recommended and the Board approved cancellation of two uncollectable loans to *Cheryl Sunness Events dba Sixty Oak* that had been in default since 2008. The original loans were approved in June 2006, a Revolving Fund Loan for \$24,017.00 and a Commercial Façade Improvement Loan for \$4,146.00. The uncollectable balances were \$21,849.69 on the Revolving Fund Loan and \$2,073.00 for a total of \$23,922.69. *Loan Committee members: Deborah Andrako, Chair, Tim Grippen, Chet Schultz, John Cox, Kenneth Frank*

The **Strategic Priorities Committee** in addition to the annual review of the loan portfolio and programs, the committee supervised a survey of nearly four dozen city businesses to determine the size, nature and activity levels, knowledge of BLDC-BEDO programs, interests and projections for future growth. BU Intern Alex Weiser conducted the interviews, compiled the results and created profiles of the businesses, data used to analyze performance and recommend initiatives. A summary of the findings appears later in this report. The committee also supported a grant to the West Side Neighborhood Project, an implementation group that emerged from the Commission on Housing and Homeownership to fund market studies by BU School of Management students for the proposed "College Town" district.

Members: Sylvia Kerber, Chair, Deb Andrako, Ron Sall, Don Bergin, Scott Hancock (Mike Atchie)

The **Governance Committee** continued to work to meet the ever increasing requirements of the Public Authorities Accountability Act. In 2009-10 the Board added a policy on Board Protection (Whistle Blower) and conducted the review of other BLDC policies. The Governance Committee hosted a Board Retreat in September 2010 which served as an orientation for new members and a refresher for continuing Directors. As part of the retreat activity the Board reviewed the BLDC Mission and added wording to more clearly articulate the commitment to "fostering entrepreneurship and innovation." The Chair, Executive Director and Economic Development Specialist for Business Development attend a series of workshops presented by the NYS Controller's Office on Charitable Organization requirements and reporting. With committee oversight and many hours of data input by Economic Development Specialist Mary Ellen Mauro as well as assistance from our auditor, the BLDC completed the PAAA data compilation and entry into the Public Access and Record Information System (PARIS). *Members: Lea Webb, Chair, Patricia Cummings, Kenneth Frank*

The Outreach and Communication Committee

Members: Kathryn Fletcher, Chair, John Patterson, Ron Sall, Marie McKenna, Sean Massey

The Committee became more active with the participation of new members Kathryn Fletcher as Chair, and Marie McKenna and Sean Massey. The committee oversees the development and implementation of the BLDC Marketing plan and budget which includes the annual Business Plan Competition. Special initiatives this year included an invitation only networking event for potential borrowers and entrepreneurs on the October 1st First Friday. Starting at the downtown loft of Syliva and Wayne Kerber, guests met with BLDC Board members and staff for a social hour followed by brief presentations by BLDC, the Planning Department and Jan Hertzog from BCC on the EAP. A guided tour of several BLDC borrower projects including the lofts at 97 Court St (Tartu), On the Town Dress Boutique, River Read Books and Enviren Services was the closing highlight of the evening.

To help the BLDC and BEDO develop a framework for leveraging the private investment and upcoming inflow of students, the committee initiated a series of meetings with the developers of the three downtown student housing projects to learn more about their plans and ideas for complimentary development. In concert with that, the office and Binghamton Downtown Inc. partnered with the Center for Applied Community Research and Development at the BU downtown campus to conduct a wide ranging survey of consumer attitudes and interests in downtown Binghamton.

Energy Efficiency Showcase

Saturday, June 5th
9:00 AM – 1:00 PM

Broome Community College
Decker Life Sciences Building, Room 201
FREE



CONTRACTORS, HOME OWNERS, LANDLORDS, BUSINESS OWNERS:

Learn how to use State and Federal funding programs to reduce home and business energy costs for long term savings.

CONTRACTORS:

Find out how to get into the green game with Building Performance Institute (BPI) certification supported by New York State Energy Research and Development Authority (NYSERDA) payback & government investment \$\$\$\$.

HOMEOWNERS, LANDLORDS & BUSINESS OWNERS:

Learn what incentives are available to help you save \$\$\$\$ by making energy efficiency improvements that will keep more \$\$\$\$ in your pocket!

Get more information: on existing and upcoming programs including Home Performance with Energy Star, Green Jobs/Green NY (GJ/GNY), Home Star, BE2

PROGRAM:

9:00 – 10:00 AM CONTRACTORS ONLY Breakfast: Pre-registration required by June 3, 2010. Call Broome Community College, Office of Continuing Education 778-5012 registration code WD001-01.

Receive an introduction to NYSEERDA incentive programs for BPI training and certification that will make you eligible to participate in energy efficiency upgrades to residential and small business properties. Find out what's out there and what's coming in Federal, State and local incentives.

Presenters: Sharon Ramsay & Dennis Mastro, Cornell Cooperative Extension; Jan Hertzog, BCC Continuing Education; Amelia LoDolce, City of Binghamton; Pat Dundon, The Insulation Man

10:00 AM – 1:00 PM Information Fair and Networking: Displays by businesses and organizations that provide energy efficiency related products, services and information. This is a great opportunity for contractors and property owners to meet and talk.

Vendors: To reserve display space, call Broome Community College, Office of Continuing Education 778-5012 registration code WD001-02. Space allocated on a first come, first serve basis.

10:15 – 11:00 AM, 11:30 AM – 12:15 PM Workshops for Home Owners, Landlords and Business Owners: Learn about new incentive programs

Event Sponsored by: Broome Community College Continuing Education, City of Binghamton "Green Team" with support from Cornell Cooperative Extension of Broome County, New York State Energy Research & Development Authority (NYSEERDA) and the NYS Laborers' Organizing Fund



Cornell University
Cooperative Extension



ACTIVITY REPORT OF THE BLDC IN 2010



**BINGHAMTON LOCAL
DEVELOPMENT CORPORATION**

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 – 2010

Rogers Jft, LLC

36 Tompkins Street, Binghamton, NY



Project: Installation of Metal Paneling to existing structure
Borrower: Rogers Jft, LLC
Loan Type: Commercial Façade Improvement
Loan Amount: \$48,750.00
Total Project: \$65,000
Approved: May 21, 2009
Closed: September 9, 2009

Project Description:

This Commercial Façade Improvement Loan provided financing in the amount of \$48,750 for the installation of metal paneling to the exterior of the business facility located at 36 Tompkins Street. The purpose of installing the new metal paneling to the building was to give the facility a more appealing look and help to reduce heating cost to the company. In order to finance this project, the borrower invested 25% of personal equity into the total project cost. No job creation was required of this loan.

Follow-Up on Projects Funded in Earlier Years and Completed in 2009-10

Historic Façade Renovation

Wisteria House, LLC

51 Main Street, Binghamton, NY

Project: restoration of deteriorated building facade

Borrower: Wisteria House, LLC

Loan Type: Commercial Façade Improvement



Loan Amount:

\$98,737.48 Post

Restoration

Total Project: \$331,304

Approved: June 15,
2006

Project Completed:
June 2010

Project Description:

This restoration project involved major façade and exterior structural improvements to the property located at 51 Main Street, a Local Landmark property that had been severely neglected for over 10 years. The purpose of the BLDC loan was to help preserve and restore this late 19th century Queen Anne style mansion and prepare it for commercial use. Through the use of the BLDC Commercial Façade Improvement Loan, this once blighted property now provides three floors of commercial/retail space and is principally leased by Joanne's Bridal Shop, an established locally owned business.

Mixed Use Redevelopment in Downtown

Tartu Properties LLC

97 Court Street, Binghamton, NY

Project: Tartu Properties, LLC

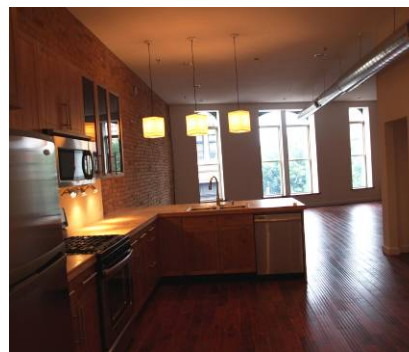
Borrower: **Loan Type:** Special
Project Loan Fund

Loan Amount: \$200,000 Post
Construction

Total Project: \$600,000

Approved: March 27, 2008

Closed: March 9, 2010



Project Description:

BLDC financing supported construction/renovation costs to 97 Court Street, a blighted and vacant four story historic building located at a key intersection of the downtown area that has now been almost fully renovated with private investment. Through financial assistance from the BLDC, this historical building was retrofitted to create an upscale mixed use space. The upper three floors of the building were converted into residential

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lofts, which are now occupied by working professionals. The first floor has a completed shell build out and is now equipped for a commercial tenant.

142 Court Street, LLC

142 Court Street, Binghamton



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

Final Payout: June 15, 2010

Project Description

The loan provided post construction gap financing that was used to pay down the \$70,000.00 loan from a financial institution upon completion of the 2nd phase of renovations for the property located at 142 Court Street. The project proposed included an upscale eighteen unit dormitory style apartment complex with amenities. Presently, this space accommodates 18 students from Binghamton University and is fully occupied through 2012.

BLDC Completes New York State Main Street Grant Program:



In 2008, the New York State Housing Trust Fund Corporation's Office of Community Renewal (NYSOCR) awarded over \$8.5 million in NY Main Street Program funds to assist communities across New York State in addressing main street and downtown revitalization efforts. On August 7, 2008, the NYSOCR awarded \$200,000 of these grant funds to the Binghamton Local Development Corporation.

The purpose of the New York Main Street Grant was to encourage local partnerships in order to help stimulate investment to expand commercial and residential development, affordable housing, provide job opportunities, and create a sense of place to improve the quality of life for community residents.

In receipt of these grant funds, the BLDC has been able to effectively carryout these objectives by placing a strong emphasis on the revitalization and economic development of downtown Binghamton. Through the NYS Main Street Grant Program, the BLDC has made a significant impact in the historical revitalization of commercial and mixed-use properties along the target area of this grant: Washington between Hawley Street and Court Street (Gorgeous Washington Street) and the intersection of Main and Front Streets. These revitalization efforts include: nine commercial building façade improvements, thirteen commercial interior renovation projects, five residential interior

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renovations projects, and streetscape improvements (three information kiosks/signs). As a result of utilizing the entire \$200,000 in NYS Main Street Grant funds, the BLDC was able to leverage an additional \$459,972.07 in private investment. These projects represent an effective collaborative partnership among property owners, local contractors, engineers, design companies, and interdepartmental staff within the City of Binghamton. Collectively, these projects have helped to improve the aesthetic of the downtown area of Binghamton, thereby, creating a sense of community pride, produced over a dozen jobs for local construction companies, engineers and design companies, and paved the way for opportunities to obtain affordable housing and increased capacity for economic development.

116 Washington Street:

Project: Structural repair and façade restoration

Grant Recipient: Garland Gallery LLC (116 Washington Street)

Grant Type: Commercial & Residential

Grant Amount: \$17,500

Total Project: \$37,500

Approved: September 25, 2009

Completed: May 5, 2010



Project Description:

This restoration project consisted of structural repairs to the steel support header that runs adjacent to the interior brick common wall facing the south end of the building, and façade restoration to three window frames located on the front exterior of the second floor above the south side entrance of the building.

15 Hawley Street

Project: Façade and Interior Renovations

Grant Recipient: 15 Hawley Street

Grant Type: Commercial

Grant Amount: \$35,139.63

Total Project: \$82,407.26

Approved: July 15, 2010

Completed: April 9, 2011



Project Description:

The NYS Main Street Grant provided funds for façade and interior renovations to the building located at 15 Hawley Street. This property developed considerable façade damage over the years to the front and side facades of the building. To repair these damages, the proposed work consisted of masonry repair, restoration of the building façade cornice and brick, replacement of wooden portions, HVAC installation, window replacements, and power washing to the front and side walls of the building. The proposed façade renovations also included masonry repair to the facade brick located at the front entrance of the building.

118 Washington Street

Project: Façade and Interior Renovation

Grant Recipient: 118 Washington Street

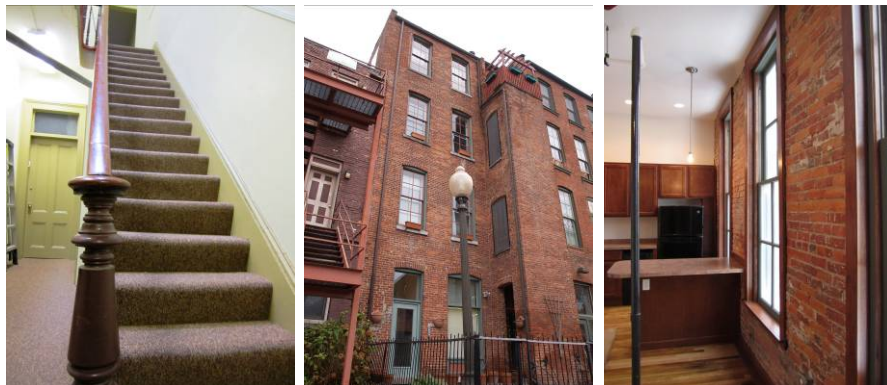
Grant Type: Commercial & Residential

Grant Amount: \$37,397.64

Total Project: \$76,355.29

Approved: August 19, 2010

Completed: January 26, 2011



Project Description:

The grant recipient will receive funds for cosmetic and structural repairs to the brick façade located at the back of the building facing the Parlor City Commons area. Prior to receiving approval from the BLDC a diagnostic was performed on the damaged brick areas to determine the extent of the façade damage.

The interior renovations for this project consisted of converting the third floor of the building into an upscale one bed room apartment. As required under the guidelines set by New York State Office of Community Renewal, the vacant apartment will be advertised to residents identified as low to moderate income levels.

134-136 Washington Street

Project: Interior & Façade Building Renovations

Grant Recipient: Greater Binghamton Development, LLC (134-136 Washington Street)

Grant Type: Commercial & Façade Improvement

Grant Amount: \$35,459.73

Total Project: \$74,825

Approved: September 16, 2010

Completed: April 15, 2011



Project Description:

This NYS Main Street Grant project included façade renovations: exterior paint work, and cosmetic repair to the mosaic tile of the front entrance. The interior renovations included: new roof, window replacement, HVAC installation, carpeting, interior painting, and lighting fixtures.

128 Washington Street

Project: Interior building renovations and façade improvements

Grant Recipient: Washington Street Square Ventures, LLC (128 Washington Street)

Grant Type: Commercial & Residential

Grant Amount: \$23,550

Total Project: \$47,100

Approved: October 14, 2010

Completed: April 15, 2011



Project Description:

The recipient will receive grant funds for interior renovations and façade improvements to the property located at 128 Washington Street. The façade renovations consisted of exterior paint work. The interior renovations included a new roof, window replacement, carpeting, interior painting and HVAC installation. As required under the guidelines set by New York State Office of Community Renewal, the one bedroom apartment will be advertised to residents identified as low to moderate income level.

135 Washington Street

Project: Interior & Facade Building Renovations

Grant Recipient: 135 Washington Street Development, LLC

Grant Type: Commercial & Residential

Grant Amount: \$14,000

Total Project: \$84,900

Approved: February 14, 2011

Completed: April 15, 2011



Project Description:

135 Washington Street, formerly known as the Carver's building, has sat vacant for a number of years with limited commercial use. Through the Main Street Grant Program, the property owners will be able to complete the necessary interior renovations to the building. The complete interior renovations will include: window installation on the 2nd and 3rd floors along the southern façade of the building, HVAC installation, sprinkler systems installation, electrical upgrades, installation of new plumbing, installation of new security system, and flooring.

92 Front Street

Project: Structural Repair & Interior Renovations

Grant Recipient: Enterprises Rittenburg Ltd (92 Front Street)



Grant Type: Commercial & Residential

Grant Amount: \$12,600

Total Project: \$ 26,550

Approved: February 14, 2011

Completed: October 1, 2010

Project Description:

The recipient will receive funding to install a new roof to the building located at 92 Front Street, which is classified as part of a local landmark district. The existing roof has deteriorated and is now completely repaired.

5 Main Street

Project: Structural Repair & Interior Renovations

Grant Recipient: Florence Street Associates, LLC (5 Main Street)

Grant Type: Commercial & Residential

Grant Amount: \$13,400

Total Project: \$26,800

Approved: February 14, 2011

Completed: October 1, 2010

Project Description:

The Main Street Grant committed funding to install new interior apartment doors, and install a new roof to the building located at 5 Main Street. The existing roof has deteriorated and will be completely repaired.

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96 Front Street

Project: Facade Improvements

Grant Recipient: 96 Front Street

Grant Type: Commercial

Grant Amount: \$953.00

Total Project: \$3,534.52

Approved: March 10, 2011

Completed: April 12, 2011



Project Description:

NYS Main Street Grant Funds will be used for facade improvements to the property located at 96 Front Street, a commercial property that has stood vacant for over five years. The facade improvements will include a custom sign for the new Thai Restaurant: Bangkok Bay Restaurant, which is scheduled to open Fall 2011.

Broome County Empire Zone

This year saw an end to the Empire Zones Program. The Program sunset in June 2010, meaning the program closed to any new entrants. Any business in the Program prior to its sunset was 'grandfathered' in and is expected to see the full life of its benefits. The Empire Zone office continued to operate throughout all of 2010 with the Coordinator continuing local administration of the Program and providing technical assistance to the 'grandfathered' businesses. During 2010, BLDC staff continued to serve on the Empire Zone board. As of January 2011, the Empire Zone Coordinator's office relocated to the Broome County IDA.

Broome Enterprise Triad

In 2010, 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, the BC Urban League and Broome-Tioga Workforce New York. The 60 hour class conducted by BCC staff and contract professionals covers a range of topics including marketing, finance, and market analysis which results in participants producing a completed business plan. The program provides individualized and specific assistance to newly opened businesses and ongoing support through weekly "Master Mind" groups and monthly meetings with the client advisory group. The Fall 2010 session resulted in 13 graduates.

Special Events

The BLDC and Binghamton Economic Development Office continued its assistance with and participation in multiple community events design to attract people to the city and the downtown dining and shopping district. The office staff complements the efforts of the Downtown Binghamton Business Association (DBBA) in presenting the Columbus Day Parade and organizing the Italian Festival in October as well as July Fest, including managing the 5-K Parlor City Run. In 2010 the event added a very popular Jazz Fest. The Friday lunch-time "Brown Bag Concert Series" held in conjunction with the weekly Farmers' Market is coordinated by the office as is the River Crawl, held the third Friday of the month May through September, to highlight the city's riverside trails and related points of interest. We partner with the County for the Chris Thater Memorial Races, with marketing support, set up and race day staffing and an information booth. For the third consecutive year the office partnered with BU College of Community and Public affairs to organize and stage "Communiversities Fest" a cooperative event that showcase downtown and the university to students and city residents. Nearly 180 organizations, businesses and performance artists signed-up to participate. In addition, BEDO-BLDC supported the Gorgeous Washington Street Association's monthly First Friday events and assisted in gaining financial support for the organization from the City's arts & events budget.

Business Visitation Program

In 2010, 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. During this time approximately 30 businesses were visited by the staff. 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 Binghamton Economic Development Office administers the funds allocated to the BLDC for loan programs as well as City of Binghamton Loans issued in the past. Through the BLDC the office administers several special funds: Broome Enterprise Triad for EAP, Columbus Day Parade account for the DBBA, River Trails/Martin Luther King, Jr. Memorial account (statue and commemorative plaques) and currently the NYS Office of Community Renewal Main Street Grant. The audit of the financial statements for the year ending August 31, 2010 by Piaker and Lyons resulted in 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, documentation and monitoring of insurance coverage, UCC continuations, and job creation/retention for BLDC CDBG funded loans. The accounting has been transferred to Quickbooks as recommended by the auditor. Monthly reports are made to the BLDC Board of Directors which is responsible for protecting the integrity of the loan portfolio. Since 2009 the function has increased to encompass the annual reporting requirements generated by the NYS Public Authorities Accountability Act using the Public Access Records and Information System (PARIS).

Officers:
James J. Lewis, CPA*, ABV, CVA
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Ronald L. Simons, CPA
Roy E. Fuller, CPA
John R. May, CPA*
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Binghamton Local Development Corporation
Binghamton, New York

We have audited the accompanying statement of financial position of **BINGHAMTON LOCAL DEVELOPMENT CORPORATION** (a non-profit organization), a component unit of the City of Binghamton, as of August 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Binghamton Local Development Corporation as of August 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. We have previously examined the financial statements for the year ended August 31, 2009, on which we expressed an unqualified opinion. The data from that report has been included for the purpose of comparison.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 1, 2010, on our consideration of Binghamton Local Development 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 the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Piaker & Lyons

Board of Directors
Binghamton Local Development Corporation
Binghamton, New York

In accordance with *New York State Public Authorities Law*, we have also issued a report dated November 1, 2010, on our consideration of management's assertions of Binghamton Local Development Corporation's internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is not an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Piaker & Lyons, P.C." in a cursive, flowing script.

PIAKER & LYONS, P.C.

Binghamton, New York
November 1, 2010

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2010</u>	<u>2009</u>
Current Assets				
Cash and Cash Equivalents	\$ 10,113	\$ 1,145,098	\$ 1,155,211	\$ 1,596,211
Current Portion of Loans Receivable		\$ 220,036	\$ 220,036	\$ 228,439
Grant Receivable	-	29,000	29,000	-
Total Current Assets	10,113	1,394,134	1,404,247	1,824,650
Loans Receivable, Net of Current Portion Less Allowance for Uncollectibles of \$254,000 in 2010 and 2009		1,372,584	1,372,584	1,231,905
Investments		136,954	136,954	
Other Assets		-	-	5,000
Land		68,000	68,000	68,000
TOTAL ASSETS	\$ 10,113	\$ 2,971,672	\$ 2,981,785	\$ 3,129,555
Current Liabilities:				
Accounts Payable	\$ -	\$ 7,711	\$ 7,711	\$ 247,888
Total Liabilities		7,711	7,711	247,888
Net Assets:				
Unrestricted	10,113	-	10,113	11,016
Temporarily Restricted	-	2,963,961	2,963,961	2,870,651
Total Net Assets	10,113	2,963,961	2,974,074	2,881,667
TOTAL LIABILITIES AND NET ASSETS	\$ 10,113	\$ 2,971,672	\$ 2,981,785	\$ 3,129,555

See the accompanying notes to financial statements.

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2010
WITH COMPARATIVE TOTALS FOR 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2010</u>	<u>2009</u>
Support and Revenue				
Donations	\$ 5,400	\$ 10,725	\$ 16,125	\$ 9,920
City of Binghamton Grant				
UDAG Repayments	-	56,094	56,094	54,074
CDBG HUD Funds	-	253,701	253,701	255,544
Total City of Binghamton Grants			309,795	
Interest Income				
CDBG Loan Interest		48,350	48,350	44,920
UDAG Loan Interest	-	27,210	27,210	35,602
Other Interest Income	10	1,118	1,128	2,192
Total Interest Income	10		76,688	82,714
Other Grants				
Broome Triad Income	70,269		70,269	76,345
Restore Grant	29,000		29,000	
Main Street Grant	17,500		17,500	
Empire Zone	-		-	3,729
Other Revenue				
Application, Closing and Administrative Fees	2,000		2,000	10,440
Other Income	28	-	28	5,000
Penalties Collected	-	637	637	738
Total Other Grants and Revenue	118,797	637	119,434	96,252
Net Assets Released From Restrictions	304,525	(304,525)		
Total Support and Other Revenue	428,732	93,310	522,042	498,504
Expenditures				
Facilities, Personnel, Materials and Supplies -				
Community Development Block Grant	262,479		262,479	247,508
Empire Zone Program Expenses	-		-	3,550
Broome Triad Expense	69,559		69,559	75,589
Demolition Expense	29,960		29,960	
Main Street Grant Expenditures	17,500		17,500	
Martin Luther King Sculpture	10,000		10,000	
Bad Debt	23,922		23,922	5,828
Promotional Expense	12,367		12,367	12,196
Miscellaneous	3,848		3,848	565
Total Expenditures				
Change in Net Assets	(903)	93,310	92,407	153,268
Net Assets - Beginning	11,016	2,870,651	2,881,667	2,728,399
Net Assets - Ending	\$ 10,113	\$ 2,963,961	\$ 2,974,074	\$ 2,881,667

See the accompanying notes to financial statements.

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 92,407	\$ 153,268
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Changes in Operating Assets and Liabilities:		
Bad Debt	23,922	5,828
Grant Receivable	(29,000)	-
Accounts Payable	<u>(240,177)</u>	<u>186,379</u>
Net Cash Provided By (Used In) Operating Activities	<u>(152,848)</u>	<u>345,475</u>
Cash Flows From Investing Activities:		
Principal Repayments on Loans Receivable	205,039	691,313
Loans Funded	(361,237)	(651,911)
Investments Purchased	(136,954)	-
Deposits Applied (Paid)	<u>5,000</u>	<u>(5,000)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(288,152)</u>	<u>34,402</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(441,000)	379,877
Cash and Cash Equivalents at Beginning of Year	<u>1,596,211</u>	<u>1,216,334</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,155,211</u>	<u>\$ 1,596,211</u>

See the accompanying notes to financial statements.