

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION
REGULAR MEETING MINUTES
THURSDAY, FEBRUARY 24, 2022**

ATTENDANCE	2021											2022	
	2/25	3/25	4/22	5/27	6/24	7/22	8/26	9/23	10/21	11/18	12/16	1/27	2/24
Directors													
Kraham, Jared	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	P	P	P
Berling, Juliet	NA	P	P	NA	P	NA	NA	P	P	EX	P	P	P
Burns, Joe	NA	P	P	NA	EX	NA	NA	EX	EX	EX	P	P	EX
Doyle, Patrick	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	P	P
Farrell, Susan	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	P	P
Koffman, Betsy	NA	P	P	NA	P	NA	NA	EX	P	P	P	P	P
Sall, Ron	NA	P	P	NA	P	NA	NA	P	P	P	P	P	P
Scanlon, Thomas	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	P	P
Seachrist, Brian	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	P	P
Shager, Chuck	NA	P	P	NA	P	NA	NA	P	P	P	P	P	P
Stromhaug, Per	NA	P	P	NA	P	NA	NA	P	EX	P	P	P	EX
Staff													
Sarah Glose	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	P
Joel Boyd	NA	P	P	NA	P	NA	NA	P	P	P	P	P	P
Rachel Priest	NA	NA	NA	NA	NA	NA	NA	P	P	P	P	P	P
Other													
JoEllen Tarcha	NA	NA	NA	NA	NA	NA	NA	NA	P	P	P	NA	NA
Steve Carson	NA	P	P	NA	P	NA	NA	P	NA	NA	NA	NA	P

President Doyle called the meeting to order at 9:05 AM. Mayor Kraham introduced Sarah A. Glose, the new BLDC Executive Director who serves as the Director of Economic Development for the City of Binghamton. He said she was no stranger to economic development in the region having served with Empire State Development for many years. He said there was a lot of energy and enthusiasm in the business community, people were very happy with her appointment. Director Glose thanked Mayor Kraham for his remarks and said she was glad to be there. President Doyle said she had worked with the Port Authority of New York and said BLDC was very lucky to have attracted her to the City. President Doyle asked for review of the minutes from the January 27th meeting and asked for a motion. Mayor Kraham motioned, R. Sall seconded and the minutes were approved (8-0-0). C. Shager joined the meeting at 9:06 AM.

PRESENTATION OF THE JANUARY 2022 FINANCIAL REPORT

Financial Analyst R. Priest presented the January 2022 Financial Report. Beginning with the Restricted Account, the end of month balance was \$1,120,111.85. The UDAG Account Statement of Income and Expense had a balance of \$1,183,500.79. Turning to the Accounts Receivable Report, she said there were some late payers, DDBing Properties, LLC had paid; a new requirement from J.P. Morgan Chase bank that borrowers issue checks expressly written to the "Binghamton Local Development Corporation", not "BLDC" delayed payments received from One North Depot and Tom Haines. One North Depot was behind for January and February and Tom Haines was paid through March. She said she expected payment from One North Depot shortly. There was no activity in the Unrestricted Account, the Broome Enterprise Triad Account, the Mayor's Veterans Initiatives Account or the Grant Account. She said the Delinquent Loan Status Report had the same borrowers in default. She said a final notice had been sent to Ariel Hendricks CPR, LLC that she had not paid her loan in over six months and BLDC reserved the right to take legal action. The delinquency percentage of all loans not designated as non-performing was 0.11%. R. Sall said he thought at one time BLDC looked into direct withdrawal from borrower accounts. Comptroller Shager said it was discussed. R. Sall said if such a system were in place the check issuance problem might have been avoided. C. Shager asked what late fees were charged. R. Priest said BLDC assessed a 5% payment surcharge and that a delinquent borrower would pay multiple fees. S. Farrell asked about the Unrestricted Account and income and expense. R. Priest explained there were grant funds in the Mayor's Veterans Initiatives account to fund renovation work on the Homeless Veterans housing project at 47 Pine Street, that funds were (only) transferred to the Unrestricted Account in order to write a check for the renovation work. There being no further questions, President Doyle thanked R. Priest for the report.

Old Business: none

New Business:

BLDC Business Plan Competition Timeline & Prizes

J. Boyd passed out fliers and said the City would shortly be announcing its BLDC Business Plan Competition. He said BLDC was increasing the prize list to \$7,500; that COVID had dealt the area an economic setback and we wanted to stimulate entrepreneurship through the annual business plan competition. He said over the years the competition had been successful in attracting development, businesses such as Parlor City Vegan, Tesorina Boutique, Next Wave Motors, FreshySites, CommuniKey, Idea-Kraft and last year, KLAW Industries which not only won the competition but purchased a building in the City of Binghamton. He said the competition would award \$5,000 for first place; \$2,000 for second place and \$500 for third place with gift

certificates for the remaining finalists, definitely an incentive for reaching for first place. He said there were a number of businesses that had contributed services to the competition that totaled over \$5,000. Some past winners helped out with prizes of services: FreshySites past winner Ben Giordano was providing \$500.00 in website services; Idea Kraft's past winner Ewelina Zajac-Holdrege provides \$500 in branding services. In addition there is a 3-month co-working membership at the Koffman Southern Incubator; 1-year membership in the Greater Binghamton Chamber; \$500 in legal counsel provided by Coughlin & Gerhart, LLP; 5 hours of accounting services provided by Davidson Fox & Co.; and \$500 in sign creation services courtesy of 3i Graphics & Signs. He said they were all Binghamton businesses, so it was keeping dollars in the community. He said the event would kick off with an online Business Development Workshop on March 30th. He said the event had a number of speakers, working with SUNY Broome's Entrepreneurship Assistance Center of which BLDC was a financial partner through the Broome Enterprise Triad as well as Binghamton University's Koffman Incubator/Office of Entrepreneurship and Innovation Partnerships; he thanked P. Stromhaug. He said there were deadlines in the event for when written business plans were due; competitor presentations would take place the end of May with a live session at the Koffman Incubator which featured a 15-minute presentation by each competitor followed by a 10-minute Q&A session with the judges. From that the winner, second and third places are determined. He said the BLDC was grateful for all of the sponsors who have made the event possible over the years and this year. Mayor Kraham said he would coordinate a press conference as soon as possible. J. Boyd said he would post promotional materials on the City website and in social media and with the assistance of SUNY Broome and Binghamton University. S. Glose asked if this was an increase in the prizes. J. Boyd said that in the past the prize was \$5,000, winner take all. Former Mayor David was supportive of increasing the prize payout as well as Mayor Kraham in order to incentivize more people to participate in the competition. President Doyle asked who the judges were; J. Boyd said that had not been finalized.

BLDC Plans & Priorities

Director Glose said she was still learning about the BLDC but that the organization needs to spend down its Restricted Funds so it did not have to return them to the City for other HUD-eligible uses. She said one thing discussed by staff was a façade program focusing on larger commercial properties. She said Microenterprise loans were impactful to the borrowers but that it was hard to spend over \$1MM, \$25,000 at a time, so she said the priority was for bigger ideas. She said for businesses looking to do things in the City of Binghamton as commercial and private interest rates go up, BLDC's loan programs might become very competitive. She said in recent times commercial financing had been so affordable businesses did not need to explore

alternatives. She repeated as rates go up, hopefully businesses would turn to the BLDC and we would be able to work with them, influence how they develop in the City of Binghamton that is a beneficial to them, to us and the residents of the City of Binghamton. She said she wanted to see if the Board had any ideas at that time and if not to seed it in the meeting and have a follow-up email survey to get the Board's feedback. R. Sall said his business, Sall-Stearns would be willing to consider a façade program because his building needed improvement. He offered that his business could be an example as far as designing and implementing such a program as a grant, loan or a combination. S. Glose said the office was in the early stages considering if it was better to do it as a loan, a grant or some combination. She said she was open to any ideas that would make it more marketable, especially to all businesses especially Court Street. Mayor Kraham said there were two rounds of the NY Main Street Program that were focused on the downtown. He said he would like to see it extended to neighborhood business districts, places like Clinton Street, Robinson Street, walkable areas with buildings that may need an upgrade with lighting, landscaping, etc. S. Glose said she would send an email to elicit feedback and ideas. R. Sall mentioned signage, there is only one banner holder presently. He said the DBBA would be willing to pay for more, that it was helpful to have events highlighted in the downtown. S. Glose said she thought the issue was wind, that there were certain parts of Court Street that could experience so much wind that banners couldn't be put up; putting C-cuts in banners was a way to deal with it. She said there were other strategic corridors and light post banners were an option too.

President Doyle asked S. Carson what was the amount of money in the Restricted Account which was of concern. S. Carson said it was \$1,120,000. P. Doyle asked if the eligible uses were broad. S. Carson said generally yes, but there could be area and hiring restrictions. He said if something was proposed he could review the criteria and advise its acceptability. Mayor Kraham asked as a general rule, if it were in a CDBG-eligible neighborhood that would be a first step. S. Carson said if it was considered a capital improvement like sidewalks, street light improvements in a low-moderate income area, those were generally eligible. B. Seachrist suggested funds could be used to jumpstart projects considered in the Stadium District. Mayor Kraham said there were a lot of planning documents such as the Stadium District, the Comprehensive Plan, First Ward Brownfield Opportunity Area and the Local Waterfront Revitalization Plan (LWRP); there were many projects that could be funded. R. Sall asked if the LWRP was part of the River Trail Commission and what was the status of the commission. He said there were things that the River Trail needed. Mayor Kraham said he thought those items were identified in the LWRP and said maybe the issue needed follow up. J. Berling said the commission was not functional but the documents were available. Mayor Kraham said the various studies were large documents and there was a need to

get all of the documents on the City website and then EDO staff could share the links. J. Berling noted there was a Climate Action Plan as well. Mayor Kraham agreed and said the City had a relatively new website that launched in May and that it was significantly updated in December. J. Boyd said another potential use of funds was the Charles Street Business Park supporting industry with water/sewer infrastructure upgrades, lighting, sidewalks, etc. S. Glose said there were other funding sources that the Southern Tier 8 planning agency recently announced a potential grant through the Appalachian Regional Commission of \$3 MM in the next year for the eight county region and they were looking for proposals. She said NYS would announce another round of their Consolidated Funding Application in May; RESTORE-NY would be announcing rules and regulations shortly along with a new round of the Downtown Revitalization Initiative. She said it was a matter of identifying what were the strategic priority areas. She said BLDC had a Strategic Priorities Committee that it needed to activate to figure out what it should be focusing on because if could target specific areas, show a lot of progress to any entity that is investing the funds and build their confidence in the BLDC and the City more broadly. P. Doyle suggested the committee could have a meeting and any Board member who wanted to funnel ideas into it and those ideas could be referred back to the full Board for conversation or action; he said the agency would want that activity to get started shortly. S. Glose agreed and said it would be scheduled before the next meeting.

Mayor's Remarks:

Mayor Kraham said in the prior week the Broome County Industrial Development Agency had approved a two-year option for Boscov's to consider purchasing their store at 11, 13 Court Street. He said the City was addressing the deficiencies Boscov's was concerned about with the construction of the new parking ramp; Boscov's needed to make upgrades to the building approaching \$15 MM. He said Boscov's was in a difficult position having to identify private financing or grant funding for a building which they did not own. He said that had been a challenge for many years that prevented Boscov's from investing in the building. He said he thought they had a new approach, they had a new grants and financing team he would be meeting with that was looking at opportunities. He said the City as part of the parking ramp project deconstruction and construction was reviewing certain elements to facilitate their store upgrades, i.e., could critical systems be placed where they were needed as opposed to where they had always been. He said Boscov's was very interested and said he thought if they were successful in getting some level of grant funding – historic facades, energy efficiency incentives, private financing and some other municipal grants – they would want to take ownership of the building. He said Boscov's owning the building would provide

everyone with a clean break; it would get the BLDC and the BCIDA out of being landlords and would stake Boscov's for the next generation downtown. He said there were many questions before the BLDC or the BCIDA would sell the property. He said for the benefit of the new Board Members, by the present agreement if Boscov's were to vacate the building, the BCIDA would no longer own it and ownership would revert to the BLDC. He said the City viewed this positively, that it would want to know their plans, but that he commiserated with Boscov's in a purgatory with the building because the elevators and escalators have been failing, there have been HVAC issues, old boilers and they were not the landlord. He said once a funding plan was developed they would want to execute it. R. Sall asked if there was any funding from the State for the BLDC to upgrade the building that it tacitly owned to make it attractive for a purchase like the HVAC system. Mayor Kraham said he was not involved when the City went to the State over the last couple of years on funding, he thought in principle it could be but it never got the signal of approval and ultimately the State refused to assist. S. Glose explained it was bad timing, the conversations went well in early 2020 and then the pandemic happened and the State stopped communicating on Boscov's and by the time it got brought back to the State in mid-2021 there wasn't any appetite to revisit it, it seemed really complicated to the State. She said she also thought they were really reluctant to be the first ones to the table and wanted to see equity commitment from Boscov's which the Mayor had said they were rethinking. She said she thought there was positive momentum that they can get the State to the table but reluctance to participate unless they see that there is a solid plan. R. Sall asked if the Regional Councils were continuing. S. Glose said yes, that Kevin Drumm was a Regional Co-Chair. S. Glose said that when she was at the State, assisting Boscov's went through every funding source it could have gone through: the Upstate Revitalization Initiative, Regional Economic Development Council, regular CFA funding and brought it straight to the Governor's Office and all signs were negative. She said part of the problem is with the Regional Economic Development Council was there was no job creation and the jobs being retained were not the kind of strategic jobs the State was looking for in projects. That being said, she said everyone at the State recognized that Boscov's was an extremely strategic property and if things were in more dire straits she could see more willingness to assist, but at this point, they wanted to push Boscov's to be the ones leading the effort. She said she thought there were opportunities to get funding through the State from historic preservation or any other infrastructure money that might be available. She said she thought it was going to take the project being ready to go before the State would touch it. President Doyle asked if Boscov's continued on the path to acquire the real estate, they put a project together to approve that acquisition of the building that could be supported by the State. He said this had not been a possibility up until now. He said they had been sending signals of increased commitment. R. Sall said he assumed the price of the building was affordable. Mayor Kraham said even at a

dollar purchase price it had to be where a dollar purchase price made sense. P. Doyle said the building had negative value right now. R. Sall said with the new ramp and housing project, the property could be quite valuable. He said with the absence of malls, this was a place where older people go to shop, and it had value. Mayor Kraham said Binghamton was one of a dozen cities in the US that had a downtown department store. He said at 300,000 customers a year Boscov's was the most visited attraction in downtown Binghamton – more than the stadium, the Arena, the library – it drew the most people downtown, more than any other anchor, and beyond the store, those people were spending money on bars and eateries. R. Sall said that people travel to shop in places like Boscov's, that shopping was a sport to some people. Mayor Kraham said the building would need to be in such an acceptable condition that Boscov's would accept a \$1.00 purchase price. R. Sall asked what Boscov's annual sales revenues were. Mayor Kraham said the store generated about \$800,000 in sales tax; C. Shager said that amounted to about \$11 MM in sales. R. Sall said that was significant, justified owning a building and said it would grow.

Moving to the Charles Street Business Park, Mayor Kraham said Bates Troy and Gearcor were still discussing options for spaces in the park. Mayor Kraham said he was going to be talking with the State Office of Cannabis Management about timelines; he said he thought late 2022 to early 2023 could see the first licenses being issued in the state, retail licenses addressing minority owned and social equity affected businesses. In 2023, applications would be opened to the general business public and should be highly competitive. He said the City needed to update its zoning code to define and regulate zoning for cannabis dispensaries or for cultivation or any industrial uses. He said the Planning Department had worked on a zoning amendment. He said they were getting feedback from individuals in the industry to make sure the proposed regulations are in line the State. He expected to put it out for legislative adoption and public comment shortly. The City did not want to be more restrictive than the State. He said there were barriers with schools and churches, but beyond that cultivation was permitted within industrial zones and dispensary locations would be authorized within existing commercial zones. When an application was presented to the City, he said it would have the authority to support a dispensary location, indicate neutrality or oppose such a location that input would go with the package to the State to determine where it would grant a dispensary.

Mayor Kraham said he had spoken with S. Glose about predevelopment of City-owned sites or future BLDC sites such as the former City DPW transfer facility at 26 Brandywine Avenue; he said one of the first questions asked by developers was if a site survey or if environmental studies had been completed. He said he would like to get this type of survey work completed, a Phase 1 and 2 (if necessary). He said that way the

properties would be potentially more marketable to developers.

Mayor Kraham said in the context of the discussion about drawing down the City's HUD funds, there were ARPA funds that could be invested in economic development projects and infrastructure needed to augment a Main Street grant program or infrastructure improvements in low-moderate income neighborhoods; he said ARPA funds had to be spent by the end of 2026. He said infrastructure projects were a good use, but ARPA funds could be used for a program grant that could run through the middle of 2026 (to allow for a reporting timeframe). He said the funds could be considered as part of the Strategic Plan Committee for economic development or workforce development. With that Mayor Kraham concluded his remarks.

S. Carson said cannabis was still illegal at a federal level and it might be necessary to get clarification about using HUD or ARPA funds for a related program. Mayor Kraham said the NY market for cannabis was projected to be one of the largest in the world and he thought there would be no shortage of private capital to support cannabis businesses. S. Glose said there could still be the possibility of doing site prep on a parcel that might come to be occupied by a cannabis business. S. Carson said it would be helpful to have an initial discussion with HUD administration.

B. Seachrist said the equity portion of Michigan's cannabis law was struck down by the federal courts as being discriminatory; he said he had heard that a similar challenge was expected in New York. At issue was the equity requirement when Michigan distributed its cannabis licenses and this was found to be discriminatory, that preference was based on race.

B. Seachrist gave an update on the VMR bankruptcy and said Corporation Counsel received a dismissal order for Mark Kelly of VMR, his Chapter 11 case was dismissed so he was no longer protected which meant the BLDC could commence action against him. He said there were a number of creditors ahead of BLDC so the likelihood of the agency recovering significant debt was doubtful. B. Seachrist left the meeting at 9:49 AM.

Executive Director's Remarks

S. Glose introduced herself to the Board. She said she was a two-time Binghamton University graduate with an undergraduate degree in English and an MPA. She said currently taught Economic Development in the MPA program. She said she worked at the Port Authority of NY for about 2½ years after graduation doing rotational leadership development program; worked in asset management; enterprise risk management; and diversity and inclusion in the HR department. She moved back to

Binghamton because it was where her (now) husband lived. She worked for Empire State Development for a little over 3 years, started as Project Manager and ended her time there as Senior Project Manager doing grant administration working with municipalities across the Southern Tier from Steuben County to Delaware and up through Tompkins, but always liked her Binghamton portfolio the most. She was in charge of the Greater Binghamton Fund projects which she said she would try to get through with what money was left in that fund because the initial round of funding went primarily to Johnson City and Endicott. She said she was excited to be part of the team, that it had been a great 2½ weeks and she appreciated the conversations with the Mayor and President Doyle and said she wanted to learn what the BLDC wanted to do and understand the Mayor's priorities for the City. She said she was learning who does what and how things get done in City Hall that economic development connected with the entire organization in unusual ways. She said there were inquiries from ESD Strategic Business Development at the State level which is fairly routine but that the office always tried to promote the Charles Street Business Park. She said recently there was a German tech company that wanted to create 80 jobs and do several million dollars of investment.

R. Sall asked how the Bates Troy venture was progressing at Charles Street. Mayor Kraham said Brian Kradjian had not responded yet about the option that was revised after the prior Board Meeting. S. Glose asked how long he had to submit an option. Mayor Kraham said there was no other interest in the parcel and said he would follow up. He said Gearcor was interested and was under new management. P. Doyle commented that the park received little interest for 20 years and recently had much more buyer interest. Mayor Kraham said he thought developers were running out of options for rehabilitating existing properties; building from the ground up was where people needed to go and other area sites presented logistical and environmental challenges that unneeded with a decision to locate at the Charles Street Business Park.

There being no further business, President Doyle asked for a motion to adjourn. R. Sall motioned, President Doyle seconded and the meeting adjourned (8-0-0) at 9:55 AM.

Ron Sall, Secretary
Binghamton Local Development Corporation