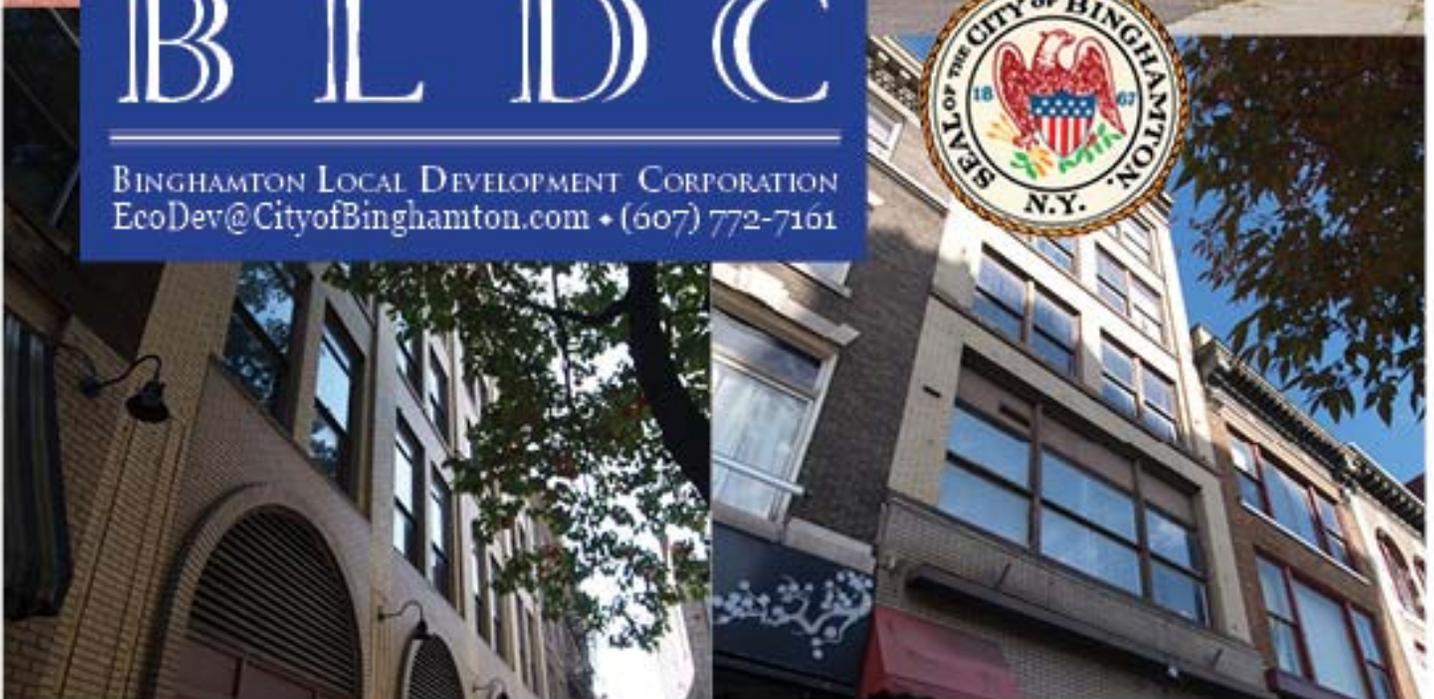




Annual Report 2016



B I L D C
BINGHAMTON LOCAL DEVELOPMENT CORPORATION
EcoDev@CityofBinghamton.com + (607) 772-7161



September 1, 2015 - AUGUST 31, 2016

John Saraceno, President/Treasurer

Arthur Smith, Vice-President

Ron Sall, Secretary

Richard David, Director

Chuck Shager, Director

Ken Frank, Director

Per Stromhaug, Director

Mary Jacyna, Director

Chris Papastrat, Director

Juliet Berling, Director

Bill Berg, Director (left March 2016)

Justin MacGregor (began July 2016)

Staff

Robert C. Murphy, Executive Director

Joel Boyd, Assistant Director

Lesley Cornwall, ED Specialist Financial Analyst

MISSION

The Binghamton Local Development Corporation (BLDC) was founded in 1982 as a public benefit corporation to promote employment and economic development in the City of Binghamton. Its mission as adopted by the BLDC Board of Directors is:



To further sustainable development in the City of Binghamton by attracting new business, retaining and growing established businesses, building industrial and commercial capacity, promoting employment and fostering entrepreneurship and innovation.

GOVERNANCE

The BLDC is a 501(c)(3) non-profit corporation directed by a board of municipal and business leaders. Of the twelve Directors appointed to the Board in 2015, four serve by virtue of their elected or appointed positions in City government: the City of Binghamton Mayor, Director of Planning Housing & Community Development, Finance Director/Comptroller and Corporation Counsel. Five additional Directors are appointed by the Mayor to serve two-year terms. The President of the Binghamton City Council appoints two members to serve one-year terms: one each from the majority and minority party. The City of Binghamton Director of Economic Development serves as the BLDC's Executive Director. In the 2015-2016 fiscal year, the BLDC Board held 12 regular meetings and the annual meeting.

COMMITTEES

The purpose of the Finance Committee is to oversee the BLDC's loan funds and debt practices and to recommend policies concerning the BLDC's issuance and management of debt and to review and provide recommendations regarding BLDC loan financing.

The purpose of the Governance Committee is to keep the Board informed of current best practices in corporate governance and update the BLDC's governance principles and practices.

The purpose of the Audit Committee is to assure that the corporation's board fulfills its responsibilities for the corporation's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting.

The purpose of the Strategic Priorities Committee is to develop on behalf of and in collaboration and consultation with the Board, key strategic goals and actions, such as identifying and pursuing grant opportunities and recommending the BLDC's annual marketing plan.

Each year the City of Binghamton executes an agreement with the BLDC to manage the City's low-interest loan fund, grant programs and economic development activities. The BLDC's revenue sources include the annual Community Development Block Grant (CDBG) allocation for BLDC operations, interest income and commitment fees generated from the CDBG loan fund, interest income and commitment fees

generated from the Urban Development Action Grant (UDAG) loan fund, as well as management fees from the New York State Entrepreneurial Assistance Program.

Loan Programs

MICROENTERPRISE LOAN PROGRAM

The Microenterprise Loan Program targets small and start-up businesses. Loans are offered in an amount less than \$25,000 with a 5-year term and a fixed interest rate of prime rate (per rate published in the Wall Street Journal) plus 0.5%. Microenterprise loans can be used for the purchase of fixed assets, working capital and inventory. UDAG funds provide the source for Microenterprise loans. In an attempt to make our loan program more accessible to new business owners, M/WBE and Veteran-owned start-ups under Mayor David's leadership, the BLDC authorized the Executive Director and President to authorize rapid response loans not to exceed \$5,000 to business who meet BLDC objectives and the general requirements of the Microenterprise Loan applications.

COMMERCIAL FAÇADE IMPROVEMENT LOAN PROGRAM

The Commercial Façade Improvement Loan Program targets exterior building improvements particularly in the City's historic districts. The BLDC finances up to 75% of the total project capped at \$100,000, at prime rate up to a 5-year term; prime plus 0.5% up to a 10-year term (prime rate as published in the Wall Street Journal). Borrower's equity contribution and non-BLDC funding must be invested and documented prior to any BLDC funds being advanced; 1/3 draw can be made with presentation of verifiable invoices, interest only payments begin on aggregate principal advanced; the second 1/3 draw with verifiable invoices; final 1/3 draw following invoices and inspection by City Building Department; then, principal and interest payments begin. UDAG funds provide the source for Commercial Façade Improvement loans.

REVOLVING LOAN PROGRAM

The Revolving Fund Loan Program is available to a proprietorship, partnership or a corporation engaged in commercial activity. BLDC will finance up to 40% of total project cost capped at a maximum of \$250,000. Loans are collateralized by fixed assets for a term compatible with bank lending or depreciable life of machinery/equipment based on specific projects up to 20 years, at an interest rate of prime rate as published in the Wall Street Journal less 0.5%. The rate is fixed on the date of formal Board approval. Jobs hiring individuals from low-to-moderate income brackets as defined annually by HUD must be created within 3 years of securing funding at a ratio of 1 job per \$35,000 of funds borrowed. Loans may be used for buying a building, purchasing machinery or fixtures; development, rehabilitation, renovation or improvement of land, buildings and facilities; or other eligible activities within the project scope. CDBG funds provide the source for Revolving Fund loans.

SPECIAL PROJECT LOAN PROGRAM

The Special Project Loan Program provides flexibility for the BLDC to partner in projects that have a significant economic impact, meet a defined need or address a strategic focus, such as mixed use development, blight reduction, or green/sustainable development that may not fit into one of the other loan programs. Special Project loans may be structured more creatively to take advantage of other funding sources and project scenarios. UDAG funds provide the source for Special Project loans.

AMOUNT OF FUNDING AVAILABLE (as of August 31, 2016)

Restricted Account (Revolving loans): \$719,777.43

UDAG Account (Micro, Façade and Special Revolving): \$1,527,852.01

ENERGY EFFICIENCY LOAN PROGRAM

The Energy Efficiency/Green Jobs Loan Program is dedicated to the start-up/expansion of Building Performance Institute (BPI) certified businesses within the City of Binghamton and City of Binghamton small businesses that want to make energy efficiency improvements to their property. The fund is supported from two sources: \$60,000 from the USDA Rural Business Enterprise Grant and \$60,000 from the BLDC's CDBG Revolving Loan Fund. The minimum loan amount is \$5,000, the maximum is \$80,000 and for every \$35,000 loaned, the borrower must create at least one full-time job. The loan requires 10% owner equity and carries a 3% fixed interest rate.

BUSINESS RESTART LOAN PROGRAM

The Business Restart Loan Program is a special reserve account of \$100,000 to provide below market rate loans to small businesses impacted by natural disasters that are in need of assistance with reopening their businesses. This loan program was created initially as a temporary fund in response to the significant flooding event on September 7, 2011 which affected the operations of many small businesses. In May 2012, the Board approved making the reserve fund and loan program permanent. The Restart Loan Program provides qualified local businesses up to \$10,000 to cover restart costs including the purchase/repairs of business equipment, paying fees for professional service related to flood damage and covering capital shortfalls as a result of the flood. BLDC waives the usual application fees and no equity investment is required under this program. The rates are 1% fixed interest for the 12 month term and 3% fixed interest for terms greater than one-year. All loans will include deferment of principal and interest payments for the first three months from the date that the loan proceeds are disbursed. The loan balance then will be amortized over the remaining term of the loan.

BUSINESS VISITATIONS

In 2015, the BLDC continued the Business Visitation Program and met with over 190 businesses. The program provides the BLDC with the opportunity to learn about local business products and services, challenges with business growth and satisfaction with municipal services. During this period there were 5,413 jobs created/retained. The BLDC office visited businesses in varying industries including, Agriculture and Forestry/Wildlife, Business and Information, Construction/Utilities/Contracting, Education, Finance and Insurance, Food and Hospitality, Health Services, Motor Vehicle, Natural Resources/Environmental, Personal Services, Real Estate and Housing, Safety/Security and Legal, and Transportation. Examples of some of the businesses visited include Landscape Services, Consulting, Marketing/Advertising, Retail Sales, Technology Services, AC & Heating, Architectural Firms, Building Construction, Engineering, Plumbing, Accounting, Grocery, Restaurant/Bar, Specialty Foods, Medical Office and Physical Therapy.

The BLDC also worked with many minority and women owned businesses to help them with relocating, expanding or starting enterprises in the City of Binghamton. Through our growing awareness of these businesses' products and services we were able to promote their services to other businesses in the City and surrounding areas. A few examples of minority and women owned businesses assisted include, the expansion of a Caribbean restaurant into the City, promotion and site location assistance for a bakery, pizzeria, specialty clothing shop, hair salon, specialty gift shop, yoga, coffee shops and pet grooming, business assistance and loan inquires to manufacturing companies, restaurant establishments, day care facilities, specialty clothing/jewelry shops, vintage clothing shops, art galleries, and computer service and repairs.



Name of Loan Applicant: S2 PROPERTIES, LLC & BINGHAMTON GARAGE, LLC D/B/A THE GARAGE

Address of Loan Applicant: 94 Eastwood Drive, Johnson City, NY 13790

Loan Amount: \$75,000.00

Total Project Cost: \$375,000.00

Loan Fund: Special Projects/Revolving Fund Loan (CDBG)

Racial/Ethnic Composition of Business Owners with majority interest (51% or more): White **M/WBE Status: No**

Project Description: The loan borrowers, Tim and Daniel Sharp of S2 Properties, LLC & Binghamton Garage, LLC, requested a BLDC Special Projects/Revolving Fund loan to provide capital for equipment and leasehold improvements to the structure at 211 Washington Street for an American themed eatery and bar called "The Garage". To date the Garage has hired 22 employees.

Funding Sources

Owner's Equity	\$75,000
M&T (SBA)	\$150,000
M&T	\$75,000
BLDC	<u>\$75,000</u>
	\$375,000

Project Status: This BLDC loan closed on October 6, 2015.



Name of Loan Applicant: ONE NORTH DEPOT, LLC

**Address of Loan Applicant: P.O. Box 1554,
Binghamton, NY 13902**

Loan Amount: \$200,000.00

Total Project Cost: \$673,149.00

**Loan Fund: \$100,000.00 Special Projects/Revolving Fund
Loan (CDBG) and \$100,000.00 Façade Improvement Fund
loan**

Racial/Ethnic Composition of Business Owners

with majority interest (51% or more): White **M/WBE Status: No**

Project Description: The loan borrower, Josh Bishop of One North Depot, LLC requested a BLDC Special Projects/Revolving Fund loan and a Façade Improvement Fund loan for the revitalization and restoration of a blighted historic structure located at 1 N. Depot Street. The applicant needed to make emergency repairs to the north facade of the building to make the structure appropriate for receipt by commercial lenders to develop the building into affordable apartments to house professionals and students as well as commercial storefront space, office space and work space. The applicant has agreed to pay off this loan once commercial funding is available.

Funding Sources

Owner's Equity	\$300,000
BLDC	<u>\$200,000</u>
	\$500,000

Project Status: This BLDC loan closed on March 23, 2016.



Name of Loan Applicant: FDG REAL PROPERTY HOLDINGS, LLC

Address of Loan Applicant: 73 Court Street, Binghamton, NY 13901

Loan Amount: \$350,000.00

Total Project Cost: \$1,843,000.00

Loan Fund: \$250,000.00 Special Projects/Revolving Fund Loan (CDBG) and \$100,000.00 Façade Improvement Fund loan

Racial/Ethnic Composition of Business Owners with majority interest (51% or more): Asia **M/WBE Status: No**

Project Description: The loan borrowers, Syed Ali and Adam Ibrahim of FDG Real Property Holdings, LLC, requested a BLDC Special Projects/Revolving Fund loan and a Façade Improvement Fund loan to provide capital for the renovation of an apartment building on 73 Court Street. The renovated mixed use building has 12 apartments with 32 bedrooms as well as a 4,000 square foot commercial space on the first floor. The project includes installation of an art wired-in projection theater and a unit-wide distributed audio system for all of the loft units. The project also includes an Upstate Revitalization Initiative grant for a green roof in the amount of \$300,000.00.

Funding Sources *

Owner's Equity	\$193,000
Tioga State Bank	\$930,000
Grants	\$300,000
BLDC Facade	\$100,000
BLDC Special Rev.	<u>\$250,000</u>
	\$1,773,000

*Only \$100,000 of the BLDC funding has been dispersed to date by the BLDC.

Project Status: The façade loan portion of the project in the amount of \$100,000.00 closed on November 20, 2015.



Name of Loan Applicant: CASEY & KAREN WALES (ROBOT CITY GAMES)

Address of Loan Applicant: 126 Clinton St., Binghamton, NY

Loan Amount: \$24,000

Total Project Cost: \$35,000

Loan Fund: Microenterprise Loan Fund

Racial/Ethnic Composition of Business

Owners with majority interest (51% or

more): White **M/WBE Status: No**

Project Description:

The loan borrowers, Casey and Karen Wales are the owners of Robot City Games and received a BLDC Microenterprise loan for the installation of a sprinkler system in order to reach compliance with evacuation and life safety requirements as mandated by the City of Binghamton to the structure at 126 Clinton Street. The overall project involved the addition of emergency exit corridors and an evacuation door to the exterior rear of the property, installation of a fire system with central monitoring by Maximum Security of Broome County and installation of a sprinkler system. These improvements brought the building and business into code compliance and allowed for resumed operation of the arcade portion of the business.

Funding Sources

Owner's Equity	\$11,000
BLDC	<u>\$24,000</u>
	\$35,000

Project Status: This BLDC loan closed on April 1, 2016.



**Name of Loan Applicant: DEANGELO
MANAGEMENT SERVICES, LLC**

**Address of Loan Applicant: 168
Susquehanna Street, Binghamton, NY**

Loan Amount: \$22,500

Total Project Cost: \$57,500

Loan Fund: Microenterprise Loan Fund

**Racial/Ethnic Composition of
Business Owners with majority
interest (51% or more): White M/WBE**

Status: No

Project Description:

Thomas B. DeAngelo of DeAngelo Management Services/Empire Property Management received a BLDC Revolving Fund loan to provide capital for renovations to the structure at 168 Susquehanna Street. Mr. DeAngelo manages over 500 rental units in Binghamton and the surrounding areas. The company is expanding and purchased the building because it needs a larger space to meet with tenants, property management staff to accommodate continuing growth. Mr. DeAngelo used the BLDC loan for interior renovations including a new heating and cooling system, electrical upgrades, new plumbing, three (3) offices, a kitchen, a conference room, laminate flooring and two (2) bathrooms, along with furnishings. A tenant business, Kristy McWherter, a Farmers Insurance Company agent moved into the northern portion of the renovated structure in the summer of 2016.

Funding Sources

Owner's Equity	\$35,000
BLDC	<u>\$22,500</u>
	\$57,500

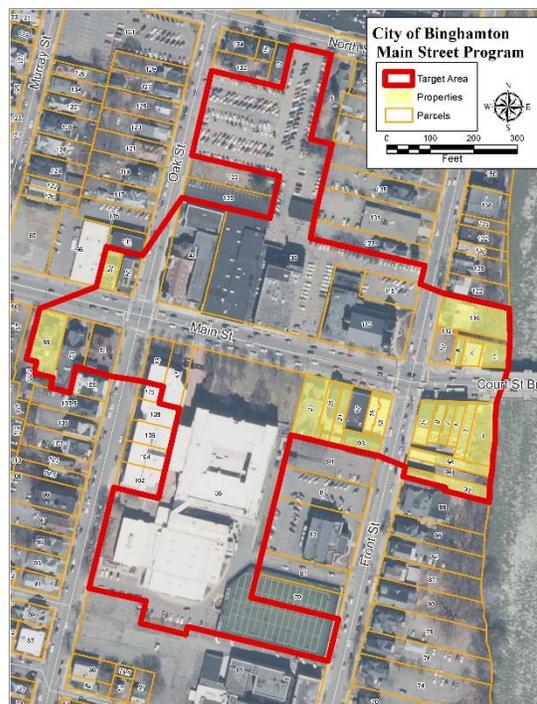
Project Status: This BLDC loan closed on April 29, 2016.

Entrepreneurial Assistance Program

In 2015-16, the BLDC served as 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 which consists of SUNY Broome, the Broome County Urban League and Broome-Tioga Workforce New York. The 60-hour class was conducted by SUNY Broome staff and contract professionals covering a range of topics including marketing, finance, and market analysis which resulted in participants producing a completed business plan. The program provides individualized and specific assistance to start-ups and newly opened businesses and ongoing support through weekly and monthly meetings with the client advisory group. The 2015-2016 training had 19 graduates.

2016 NY Main Street Grant Application

In July 2016, the BLDC applied for a third New York Main Street Grant to address commercial building façades and residential needs in and near the intersection of Front and Main Street at the western approach to the downtown. The project proposes to address up to 19 mixed-use buildings aligned along the eastern end of Main Street which are part of the Susquehanna Urban Cultural Park and are local landmarks or adjoin the district. They are subject to local design review by the Commission on Architecture & Urban Design (CAUD). The majority of the structures have experienced disinvestment in the last 50 years that follows the wider regional and upstate economic decline in manufacturing capacity, population loss and rising levels of poverty. The properties comprise a cohesive "Main Street" and the goal is to improve the visual attributes of this western approach to our downtown and thereby make the district more attractive for tenant businesses while improving upper-story residential capacity to help grow a live-work population. A number of the buildings have 19th century storefronts that have been heavily modified and are unsympathetic with the upper stories; restoration of these spaces would augment the storefronts in the adjacent downtown Court Street State and National Register Historic District. This project plans to stimulate the renovation. If successful, the grant could result in the award of at least 40 residential units and 5 commercial units.



The NYMS Target Area was identified in the 2014 City of Binghamton Comprehensive Plan as a major gateway. In recent years, center city Binghamton has experienced marked growth with an infusion of student housing, restaurants, bars, craft brewers, and hotels among other investments. Binghamton

University is constructing the new Southern Tier High Technology Incubator a block east of Governmental Plaza. The project's goal is to extend the positive momentum to the western corridor, one of the major approaches to the downtown. As with past Main Street programs, the BLDC will extend construction or secondary financing to complement traditional bank financing. Construction jobs will be created in the short term; increased retail business ownership or employment will be facilitated in the long term.

Technical Assistance

The Binghamton Local Development Corporation staff serve as a concierge for businesses starting and expanding in the City. Services include:

- Location assistance
- Business Visitation Program
- Monitoring and facilitating review by the Planning Commission, Zoning Board, Commission on Architecture & Urban Design and Department of Building and Code Enforcement
- Assistance navigating Local, State and Federal grant and loan programs
- Business Plan Workshop

The BLDC works closely with the Small Business Development Center, the Entrepreneurial Assistance Program at SUNY Broome and SCORE to assist clients in developing solid business plans and financial projections to ensure success.

Business Plan Competition



The BLDC hosted its seventh annual Business Plan Competition in partnership with the Broome Triad's Entrepreneurial Assistance Program (EAP) located at SUNY Broome Community College which awarded a \$5,000 prize with additional services from several community businesses.

Started by the BLDC in 2009, the purpose of the competition is to grow local businesses, raise awareness about BLDC financing programs and highlight resources for business development. The 2016 competition was generously sponsored by the BLDC, City of Binghamton, Broome County Industrial Development Agency/LDC, NYSERDA/76 West, 3i Graphics & Signs, Davidson Fox & Co., Greater Binghamton Chamber of Commerce, Idea Kraft, and FreshySites.

Eligible applicants must be for-profit entities that are either an existing business located in the City of Binghamton that is less than five years old, or have a qualified business plan that demonstrates an ability to finance and open the new business within four months of winning the competition and a commitment to maintain the business within the City for a minimum of three years. All applicants must demonstrate that they have completed business start-up or management training (e.g., EAP classes) and must participate in the City's Business Development Workshop offered at no cost to potential applicants.



2016 BLDC Business Plan Competition winner Stephen Musok receives ceremonial check from Mayor Rich David along with BLDC Executive Director, Robert Murphy

The 2016 competition attracted 11 entries of which 6 progressed to present business plans to our panel of judges which included Jennifer Conway, Greater Binghamton Chamber; Shelli Cordisco, SUNY Broome; Deb Andrako, NBT Bank; Bonnie Drumm, SUNY Broome; Howard Garrity, SBA; and Per Stromhaug, Binghamton University.

The grand prize winner was Next Wave Motors, LLC, a start-up manufacturer of kits to convert Kawasaki Ninja 250 motorcycles from gasoline to electric operation. The company was founded at the Triple Cities

Maker Space in 2015 by Stephen Musok and Erik Leonard, both natives of the Greater Binghamton area. As the grand prize winner, Next Wave Motors received a \$5,000 cash prize from the BLDC along with:

- 5 hours of accounting services: Jesse Wheeler, Davidson Fox & Co., Binghamton
- 5 hours of legal counsel: Palmer J. Pelella, Esq., Binghamton
- One year start-up office space at The Center, 59-61 Court Street, Binghamton courtesy of The Agency/Broome County Industrial Development Agency
- One year membership in the Greater Binghamton Chamber of Commerce
- \$500.00 in sign creation services courtesy of 3i Graphics & Signs, Binghamton
- \$500.00 in website services courtesy of FreshySites, Binghamton
- \$500.00 in branding services courtesy of Idea-Kraft, Binghamton

The BLDC intends to increase the cash award for the 2017 competition.

Marketing and Special Events

Greater Binghamton Chamber Expo was held September 15th at the DoubleTree Hotel & Conference Center and featured 100 vendors with many local business people stopping by. The Expo was seen as a way of providing connections for local businesses. The BLDC display introduced new signage reflecting the City's industrial heritage and promoting a great community with a lifestyle.

JulyFest: On July 8-10, Binghamton welcomed the 54th Annual July Fest and Parlor City 5K Run with 3 days of quality arts and crafts, food, music, antique cars, the 9th Annual Parlor City 5K Run, and the Kidz Art Zone with all day fun-filled activities.



Empire Road Race Series: the inaugural Empire Road Race Series connected a number of well-known local running races into a series sponsored by Visions Federal Credit Union. Five of the seven races were held in the City of Binghamton including the Parade Day Mile, the St. Patrick's 4-Mile Run, Binghamton's first marathon - the Herald of Victory Marathon, the Beers & Beasts 8K, and the Parlor City 5K Run.

Chris Thater Memorial Races: On August 27-28, downtown Binghamton hosted the 33rd Annual Chris Thater Memorial Races which featured a 5K run and professional-amateur cycling races for beginners of all ages and licensed competitors from 9-10 year-old juniors to age 60+ Master racers. The 0.7 mile closed course loop in the downtown was used for an exciting Saturday evening Pro-Am race for the third time with many domestic and international champions with a high speed finish on State Street at Court.

Binghamton Live on the Waterfront: For the third year, the Economic Development Office organized "Binghamton Live on the Waterfront" a series of Friday evening concerts held on the Chenango Promenade overlooking the Chenango River. This year the series of four concerts was expanded to include a more diverse collection of food and craft vendors. Galaxy Brewing and Water Street Brewing sampled craft brews along with



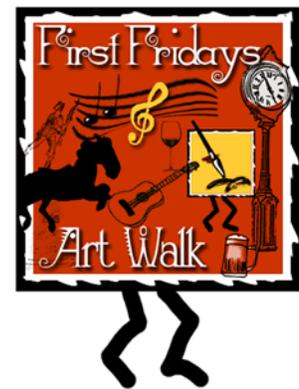
Awestruck Ciders. The event featured Sal's Little Kitchen Spanish Food Truck selling the Jibarito sandwich, Pernil roast pork, Tostone (Fried plantain) with secret sauce and the Belmar's food trailer with smoked pulled pork, gyros and tangy cheesesteak sandwiches. Also a variety of artists and vendors: Lillie Farms, Bush's Maple Syrup, bruschetta and organic salsa from JNB Foods, Ben Dudden/Fear of Art, art jeweler Ben Strauch, candles from Bohdi Candles and Pink Zebra as well as paintings by David Francisco,

Angela Cook and Mandy Wright, caricatures from Russ Swanger, Habitat Photography Studio with Katie Kanazawich



LUMA: The second LUMA Projection Arts Festival 2016 took place on September 2nd with 5 projection installations one of which featured a live 48-piece orchestra provided by the Binghamton Philharmonic synchronized with a featured animation of BC and Wizard of Id comic characters in cooperation with the strips' cartoonists. In addition, the 2016 event featured LUMA's first juried competition which had a \$5,000 grand prize. The evening began with an inaugural SingBing that provided over 100 community members with an opportunity to join an ensemble to practice and sing for a recorded video. Director, Robert Muphy was a member of Team LUMA which produced the 2015 and 2016 events.

First Fridays: begun in 2004 the first Friday of every month features a small cultural festival in downtown Binghamton with art gallery showings, small performances and extended hours for bars and eateries. The Economic Development Office supports the event by attending meetings of the organizer, Gorgeous Washington Street, promoting via social media and directing municipal services to support the event



SUNY BEST, Southern Tier Meet-Up: the office has assisted these monthly meetings of the Business and Educational Cooperative of the Southern Tier has been held at the University Downtown Center and the Economic Development Office has assisted by arranging event parking in the immediate vicinity.



Rust to Green Binghamton Living with Water Resiliency Summit 2016: the office helped organize this conference that discussed the impacts of the 2006 and 2011 floods and the somber reality that flooding will likely reoccur in the next few decades. Rust to Green Binghamton is a project of the R2GNY Action Research

Initiative of Cornell University which draws educators, researchers and students to focus on innovative strategies and solutions to address the needs of New York's Rust Belt cities. The Binghamton event held at the University Downtown Center invited researchers, practitioners, elected officials, and community members to share and learn about the topics of disaster preparedness, flooding, and the role of local rivers in our lives. The seminar was followed by a mixer held at Galaxy Brewing with readings performed by actors from downtown's Know Theater who excerpted true stories of flood victims recorded over the last several months into a play that was presented the following evening. Saturday featured a Red Cross Disaster preparedness workshop and the evening play at the Know Theater.



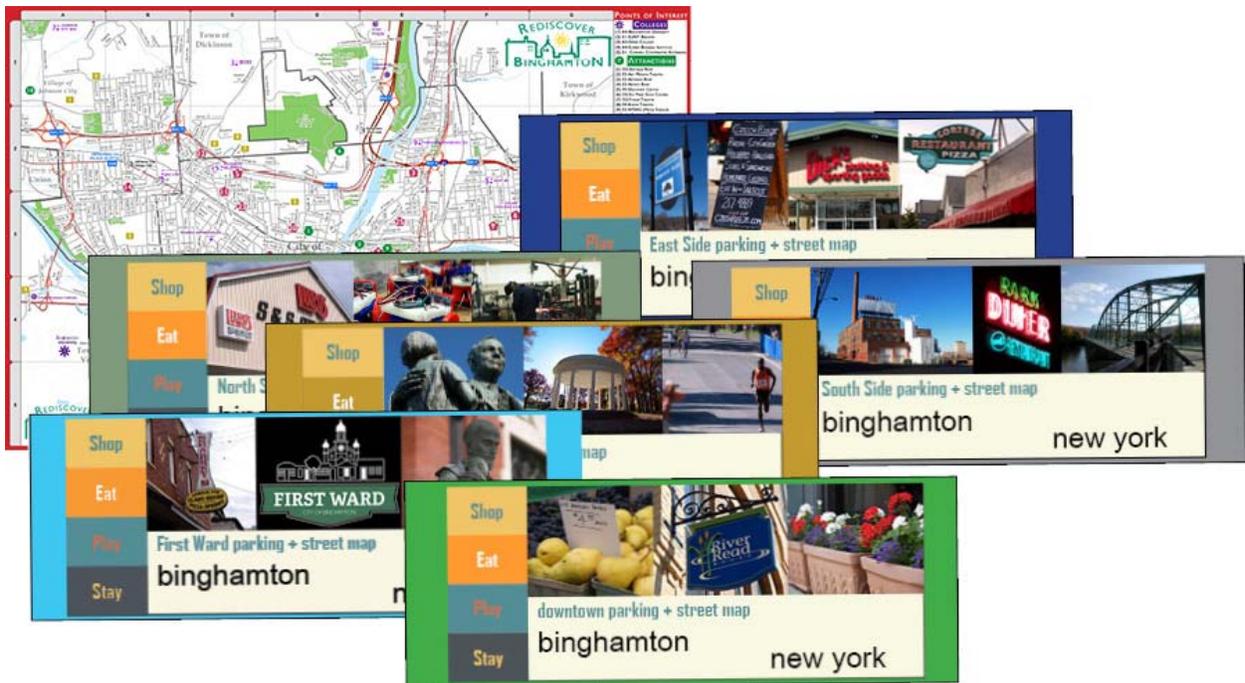
Coffee & A Conversation Meet-Up Group: Director Bob Murphy initiated a biweekly meet-up at Strange Brew on Washington Street with discuss what's new and exciting in the City of Binghamton and get an inside look at what other young stakeholders are up to around the city.

Downtown Student Kick-Off: In collaboration with The CommuniKey, 2012 winner of the BLDC Business Plan Competition, the office assisted the fifth annual Downtown Student Kick Off with event signage, an event that brought hundreds of BU and SUNY Broome students to the Holiday Inn to sample food and services from CommuniKey member businesses located in the city. Music and contests contributed to the festive air of the mid-September event.



Interns assisted in keeping the BLDC's Facebook page lively and informative with updates and posts, as well as photographs, workshop announcements and information related to business development in the city.

Tourist Maps: the office produced a tabloid size Binghamton and regional map with points of interest including the campuses of Binghamton University and SUNY Broome as well as a full set of neighborhood parking and dining/shopping guides for the Downtown, West Side, East Side, North Side, South Side and First Ward which are distributed to hotels and eateries.



Performance Measures

Performance Measure 1:

To provide programs promoting maximum employment, improved job opportunities and training within the City of Binghamton. We commit to creating more opportunities for employment annually to small, minority, and women owned businesses in the City.

- The BLDC offers a Microenterprise Loan Program, Revolving Loan Program and Special Projects Loan Program that incentivizes new job creation and assists existing businesses retain and expand their workforce.
- -The BLDC approved a \$75,000.00 loan to S2 Properties, LLC & Binghamton Garage LLC d/b/a The Garage, a project that is expected to result in the creation of 22 professional part and full-time jobs.
- 14 students graduated from the Entrepreneurial Assistance Program which involves 60 hours of training for to start-ups and newly opened businesses resulting in a completed business plan.
- The BLDC also worked in conjunction with Binghamton University for interns working on various economic development projects throughout the City.
- The BLDC also worked with many minority and women owned businesses helping them with relocating, expanding or starting their business in the City of Binghamton. Through our growing awareness of these businesses' products and services we were able to promote their services to other businesses in the City and surrounding areas.

Performance Measure 2:

To provide funding for startup businesses through loans and our business plan competitions.

- The BLDC approved a \$75,000.00 loan to S2 Properties, LLC & Binghamton Garage LLC d/b/a The Garage, a project that will help establish a new unique American themed restaurant on a vacant lot located at 211 Washington Street in downtown Binghamton.
- The BLDC hosted its seventh annual Business Plan Competition in partnership with the Broome Triad's Entrepreneurial Assistance Program (EAP) located at SUNY. The 2016 competition attracted 11 entries of which 6 progressed to present business plans. The \$5,000 grand prize winner was Next Wave Motors, LLC, a start-up manufacturer of kits to convert Kawasaki Ninja 250 motorcycles from gasoline to electric operation.

Performance Measure 3:

To disseminate information; furnish advice, technical assistance, and liaison with federal, state, and local authorities for small businesses.

- The BLDC hosted an informational workshop to support local businesses: the Business Plan Development Workshop in connection with the BLDC Business Plan and the Digital Marketing for Small Business Workshops.
- The BLDC disseminated information via two media campaigns that advocated for buying local.
- The BLDC assisted multiple businesses with its concierge service, in the planning review process, CAUD approvals, Waterfront Advisory Committee approvals, and building and construction permitting and review.
- The BLDC responded to dozens of inquiries regarding site location assistance in the city resulting in multiple business openings and re-locations.
- The BLDC responded to inquiries related to SBA programs, NYBDC backed funding, NYSEDA programs and met with representatives of state and local government to learn about and advocate for business development programs.
- The BLDC visited with numerous businesses to learn about the firm's products, level of satisfaction with City services and the various programs that the BLDC offers. The BLDC has also reached out to businesses in other cities and states to bring new business to the City.

Performance Measure 4:

To cooperate and coordinate with municipalities and local governments, community groups, agencies, and other non-profit corporations to further the mission of the BLDC.

- The BLDC regularly participated in SUNY BEST, a consortium of workforce development, economic development and higher education stakeholders in Greater Binghamton.
- BLDC regularly coordinates economic development activities, including existing and potential loan and grant opportunities with Binghamton University, SUNY Broome, SCORE, NYS Small Business Development Center, the Agency - the Broome County IDA, the Southern Tier Regional Economic Development Council, the Greater Binghamton Chamber of Commerce and local financial institutions.
- Worked with STREDC team in numerous scoping and project identification meetings held at BU, Buffalo and Albany.
- The BLDC continued its assistance and participation in the 2015 Chris Thater Memorial Race. The event consisted of cycling, a 5K run and an outdoor expo. The BLDC's Live on the Waterfront summer music festival provided six Friday evening shows to bands from Binghamton and BU. In addition the BLDC worked with the City and private volunteers to plan, coordinate and fund the second LUMA festival in downtown Binghamton which resulted in audience of 40,000 and a huge success.

Performance Measure 5:

Provide funding for construction, building improvements and other uses, industrial, commercial, or manufacturing buildings or plants within the City of Binghamton.

- The BLDC provided a \$100,000.00 loan to FDG Real Property Holdings, LLC to assist in the renovation of 73 Court Street for the redevelopment of the mixed-use 19th century commercial structure downtown.

- The BLDC provided a \$75,000.00 loan to S2 Properties, LLC & Binghamton Garage LLC d/b/a The Garage, for the renovation of an empty garage building at 211 Washington Street in order to open a new American themed restaurant in downtown Binghamton.
- The BLDC provided a \$200,000.00 loan to One North Depot, LLC for the revitalization and restoration of a blighted historic structure located at 1 North Depot Street in order to provide affordable apartments to house professionals and students as well as commercial storefront space.
- The BLDC provided a \$22,500 loan to Thomas Burton DeAngelo of EPM to provide capital for renovations to the structure at 168 Susquehanna Street. EPM currently manages over 500 rental units in Binghamton and the surrounding areas. EPM is expanding. It purchased the building because it needs a larger space to meet with tenants, property management staff to accommodate EPM's continuing growth. In addition, this renovation allowed room for Farmers Insurance Company to move into a portion of the renovated building in the summer of 2016.
- The BLDC provided a \$24,000 loan to Casey and Karen Wales the owners of Robot City Games for the installation of a sprinkler system in order to reach compliance with evacuation and life safety requirements as mandated by the City of Binghamton to the structure at 126 Clinton Street. This brought the building and business up to code and allowed for resumed operation of the arcade portion of the business.
- Through its concierge service, the BLDC provided technical assistance and support to multiple projects involving construction and renovation during the planning review process.

Section 2800 (1)(a)(9) and Section 2800 (2)(a)(9) of Public Authorities Law require all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

The importance of an adequate system of internal control is to: (a) promote effective and efficient operations so as to help the authority carry out its mission; (b) provide reasonable, but not absolute, assurance that assets are safeguarded against inappropriate or unauthorized use; (c) promote the accuracy and reliability of accounting data and financial reporting to ensure transactions are executed in accordance with management's authorization and recorded properly in accounting records; (d) encourage adherence to management's policies and procedures for conducting programs and operations; and (e) ensure compliance with applicable laws and regulations. Furthermore, a successful system of internal control includes performing an annual assessment to identify potential weaknesses in policies or procedures and to implement corrective actions.

Internal controls are the policies, practices, attitudes, guidelines and other actions adopted by the authority that, when followed, provide reasonable assurance that staff understand and properly carry out their responsibilities, that appropriate professional and ethical conduct is observed, and that the authority will honor its purpose and mission.

This statement certifies that the Binghamton Local Development Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the fiscal year

ending August 31, 2016 and that management and staff throughout the organization understand and are aware of the policies and practices in place to ensure that the authority is effective and to address the risks that are relevant to the operation. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.