

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION
REGULAR MEETING MINUTES
TUESDAY, JANUARY 21, 2020**

ATTENDANCE	2019											2020
	3/28	4/26	5/23	6/27	7/27	8/22	9/26	10/24	11/14	11/25	12/19	
Directors												
David , Rich	P	P	P	P	P	N/A	N/A	P	P	P	P	P
Berling, Juliet	P	EX	P	P	P	N/A	N/A	EX	P	P	P	EX
Burns, Joe	N/A	N/A	N/A	N/A	P							
Frank, Kenneth	P	P	P	P	EX	N/A	N/A	P	P	P	P	P
Jacyna, Mary	P	P	P	P	P	N/A	N/A	P	P	P	P	EX
Koffman, Betsy	P	EX	P	EX	P	N/A	N/A	P	EX	EX	P	P
Sall , Ron	P	P	P	P	P	N/A	N/A	P	P	EX	P	P
Saraceno, John	EX	P	P	EX	P	N/A	N/A	P	P	P	P	P
Shager, Chuck	P	P	P	P	EX	N/A	N/A	P	P	P	P	P
Smith, Art	EX	P	P	P	P	N/A	N/A	P	P	P	P	P
Strawn, Philip	N/A	N/A	N/A	N/A	EX							
Stromhaug, Per	P	EX	EX	P	P	N/A	N/A	P	P	P	P	P
Staff												
Joel Boyd	P	P	P	P	P	N/A	N/A	P	P	P	EX	P
Lesley Cornwall	P	P	P	P	P	N/A	N/A	P	P	P	EX	P
Other												
Steve Carson	P	P	P	P	P	N/A	N/A	P	P	N/A	P	P

President Saraceno called the meeting to order at 9:18 AM. Mayor David introduced the two new Board Member City Council Representatives Joe Burns and Philip Strawn. Mr. Strawn had a conflict and was unable to attend. Mayor David asked all the Directors and staff present to introduce themselves to Representative Burns. Mayor David explained that City Council Members representing each political party served in an exofficio capacity, that BLDC loans above \$25,000.00 require Council approval and that the Council Representatives serve as a liaison to other Council members so they could make informed decisions.

APPROVAL OF THE MINUTES OF THE DECEMBER 19TH, 2019 REGULAR MEETING

President Saraceno asked for a review of the minutes of the December 19th, 2019 Regular Meeting minutes. Mayor David motioned, A. Smith seconded and the minutes were approved (8-0-0).

New Business:

RESOLUTION 20-1: A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION ("BLDC") AUTHORIZING THE TRANSFER OF FORTY-THOUSAND DOLLARS (\$40,000.00) FROM THE RESTRICTED BANK ACCOUNT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT ("CDBG") PROGRAM FOR COMMUNITY DEVELOPMENT SERVICES AND SUPPORT OF THE CONSOLIDATED PLAN

President Saraceno asked S. Carson to explain the resolution. S. Carson said the measure sought to transfer \$40,000 from the BLDC Restricted bank account to the City of Binghamton's CDBG Program Income Revenue line to be used for hiring a consultant to help with the consolidated plan. He explained that the Revolving Loan Account comes from CDBG funds from the federal Department of Housing & Urban Development. He explained that the BLDC normally lends money and then is repaid and the account builds. He said in 2019, HUD indicated that the BLDC had too much money in the account, that it had not made sufficient loans using the funds since 2014 and if it was not spent future funding would be reduced. He said Requests for Legislation had already been prepared for City Council to effect the funds transfer pending approval by the BLDC. Mayor David said the City had a considerable number of projects that could otherwise be funded should a large reallocation become necessary. President Saraceno asked for a motion. R. Sall motioned, Mayor David seconded and the resolution was approved (8-0-0).

P. Stromhaug joined the meeting at 9:28 AM.

RESOLUTION 20-2: A RESOLUTION OF THE BINGHAMTON LOCAL DEVELOPMENT CORPORATION ("BLDC") AUTHORIZING THE REMOVAL OF AVAILABLE DRAWDOWN FROM HUD UNDER THE RESTRICTED ACCOUNT FOR LOANS YEAR 34 & 35 IN THE AMOUNT OF \$221,456.29 FROM THE TREASURER'S REPORT.

President Saraceno asked S. Carson to explain the additional related resolution. S. Carson drew Board Members' attention to the Financial Report which indicated \$221,456.29 in monies available for drawdown. He said a consultant had reviewed financial records and determined that the entitlement draw/money had in fact already been withdrawn for the 2009 loan to VMR Electronics so this was an error that had been carried forward in succeeding financial statements for a number of years. The resolution was intended to correct this error. Discussion followed about the source of the error. President Saraceno asked if it had been discussed with the auditors. S. Carson said it had not. C. Shager said he had not been able to figure it out and had not discussed it with the auditors yet. Mayor David said the problem stemmed from when a new administration took over in 2014 it discovered a series of financial irregularities and poor record keeping in the Department of Planning, Housing & Community Development and CDBG from the prior administration. The Mayor said the City had engaged Paul Nelson, former Planning Director for the Town of Union and the City of Binghamton (in the early 2000s) to review the irregularities so that the financial statements are more accurate with regard to HUD reporting. Mr. Nelson had identified the error. Mayor David acknowledged the extensive efforts over several years of the City's Finance Office under the direction of Comptroller, C. Shager and said the City was entering a final phase of correcting sloppy records from the prior administration in a number of areas. The Mayor underscored that the money was not a financial windfall but was money already spent and the resolution was merely to remove the amount which would otherwise appear to be an asset from the statements. B. Koffman asked if this was the extent of the irregularities. C. Shager said he believed so for the BLDC. S. Carson said he was still reconciling the RL account with HUD and that to his credit Mr. Nelson had found an additional \$200,000 that was already spent. C. Shager said he had not discussed the issue with the auditors and volunteered that the Board could table the motion. K. Frank suggested that the Resolution could be amended to be actionable subject to the auditors' confirmation. President Saraceno asked for a motion to approve the resolution subject to the auditor's review. K. Frank motioned, R. Sall seconded and the amended resolution was approved (9-0-0).

PRESENTATION OF THE DECEMBER 2019 FINANCIAL REPORT

L. Cornwall reviewed the December Financial Report. She said the Restricted Account had an end of month balance of \$1,131,289.69. The UDAG account had an end of month balance of \$900,485.38. She noted the Broome Enterprise Triad account which had an end of month balance of \$38,015.00 which wrote a \$37,657.54 check to SUNY Broome for operating the EAP Program. Turning to delinquencies, beyond ongoing debtors: VMR, Mountain Fresh Dairy and Jrama's Catering, she said DD Bing was paid up – they have

been a solid borrower but had a new checking account and payments had failed to be issued on time. Zach Salisbury remained delinquent and had not returned calls. Effective 12/31/19 the percentage of all loans not designated as non-performing was 0.35%. A. Smith asked when certain long-standing uncollectable debts would be written off. C. Shager responded that it was a question for the auditors. K. Frank said he had received a phone call from the US Justice Department indicating that they were investigating the bankruptcy claim of the principals of VMR so collection efforts were still underway.

Old Business: none

Mayor's Remarks:

Mayor David gave updates on projects of note. Concerning \$20.5 million 435 State Street Canal Plaza project he said he spoke with developer, Bruce Levene in the prior week. He said the building was completely buttoned up with the roof and windows in place for the residential and commercial spaces. Now work was proceeding on the interior; it was the developer's plan to get the building envelope completed so interior work could continue through the winter months. He said work was underway for the brick façade on one portion of the building. Mr. Levene said the project was on time and budget. Mayor David explained for the benefit of new Council Representative Burns that the BLDC owned 4 acres as well as the former McDonald's site at 10-12 W. State Street. He said 2 of the 4 acres was now the \$20.5 million housing project which is a partnership with the Binghamton Housing Authority and the Buffalo developer. He said the project had 15,000 SF of commercial space on the ground floor, 5,000 of which was going to be the new grocery store. He said the BLDC had owned the property; the City put in \$215,000 of its Home portion from CDBG; they worked jointly to get a Restore NY grant for the demolition of the former shopping plaza to get the property into the NYSDEC Brownfield Clean-up program; the NYSDEC recently certified the clean-up as complete. NYS Homes & Community Renewal provided tax credits which enabled the project financing. Mr. Levene expects tenants to start moving in mid-summer. Mayor David said the vision was becoming reality and it was exciting to see.

Concerning the 7 Hawley Street Parking Ramp, Mayor David said though the project was situated on BURA property it was a huge project that impacted City and BLDC interests. He said the project would be bid announced the following day and contractors would be able to pick up packets beginning on February 3rd for three weeks; a contractor should be selected by the end of the month. He said the City was working

with architects Clark Patterson Lee and the pre-caster Unistress. He said the plan was for the contractor to mobilize by the end of March and complete construction by the end of the year.

The Boscov's project update said STREDC met concerning an application the City made to the Upstate Revitalization Initiative, identified it as a priority project and that it was currently being reviewed at a State level. He said he believed the City's one-year extension of the Boscov's PILOT agreement would run out at the end of April and an extension would be necessary to complete the work under the grant should it be awarded. He said the Governor's Office had reiterated support for the project.

The Mayor said there were two public meetings for the DECO project over the summer to elicit public input for the Metrocenter Courtyard area and to share feedback on designs based on that input. He said the City should be receiving a final design from EDR architects and that will be bid out during the winter months to begin when the weather breaks. He said the City's portion of the design implementation would not be completed until the following year with the exception of some work that is within the area that is part of 7 Hawley Street which includes Washington, Hawley and the intersection and streets scape work as well. R. Sall asked how the Metrocenter Courtyard area would be impacted inasmuch as the area was the central artist area for the annual July Fest weekend. Mayor David said the City would review construction dates to accommodate the event.

President Saraceno said he had preliminary discussions with a large local business that was considering combined façade and revolving fund loan financing of at least \$300K to advance their enterprise and expected the Finance Committee would be reviewing an application shortly.

There being no further business to come before the Board, President Saraceno asked for a motion to adjourn the meeting. Mayor David motioned, A. Smith seconded and the motion passed (9-0-0). The meeting ended at 9:54 AM.



Ron Sall, Secretary
Binghamton Local Development Corporation