BINGHAMTON LOCAL DEVELOPMENT CORPORATION
REGULAR MEETING MINUTES
THURSDAY, JULY 23, 2015

ATTENDANCE												
Directors	1/22	2/26	3/26	4/30	6/4	6/25	7/23	8/27	9/24	10/22	11/19	12/17
Berling, Juliet	NA	P	P	P	P	P	P					
David , Rich	P	P	EX	EX	P	P	P					
Frank, Kenneth	P	P	P	P	P	P	P					
Jacyna, Mary	P	P	P	EX	P	P	P					
Papastrat, Chris	P	P	P	P	P	P	P					
Sall , Ron	EX	P	P	P	P	P	P					
Shager, Chuck	P	P	P	P	EX	P	P					
Saraceno, John	P	P	P	P	P	P	P					
Smith, Art	P	P	P	P	P	P	P					
Stromhaug, Per	P	P	P	P	EX	EX	EX					
Webb, Lea	EX	EX	EX	EX	EX	EX	EX					
Staff												
Robert Murphy	P	P	P	P	P	P	P					
Joel Boyd	P	P	P	P	P	P	P					
Lesley Cornwall	NA	NA	NA	NA	NA	NA	P					

President John Saraceno called the meeting to order at 9:05AM.

APPROVAL OF THE MINUTES OF THE JUNE 25, 2015 MEETING

R. Sall moved, M. Jacyna seconded to approve the minutes of the June 25, 2015 regular meeting as presented. The directors voted unanimously in favor and the motion carried (9-0-0).

R. Murphy welcomed the Board to L. Cornwall who has rejoined the Economic Development Office again in the capacity of Financial Analyst after a 9-year hiatus.

PRESENTATION OF THE JUNE 2015 FINANCIAL REPORT

C. Shager presented the June financial report. He noted Innovation In Imaging (3I) was behind for one month. On the Rocks is behind for May and June. R. Murphy said that they frequently fell behind a few months and caught up. R. Murphy said he spoke with Patrick Wall of M&T Bank about the interest-only request of 3I Graphics; 3I has a private mortgage with the former owner (Johnson family) on the business. R. Murphy said all payers were currently accepting interest-only payments and were getting monthly financial statements as well. R. Murphy noted that though Mr. Wall was with the Work-out Department of M&T he did not think the Board should be overly concerned. C. Shager said in the Restricted Account, Renkan Holdings & T.

Mitchell Holdings paid off their loans. The UDAG account showed receipt of the final 2012 NY Main Street Grant Fund reimbursement ($52,964.00) for 34 Chenango Street and Streetscape Improvements. C. Shager said the balance in the UDAG account was slightly off and needed to be corrected. On the Roxx (bar) is behind with two months of payments; Mountain Fresh Dairy was caught up to June.

OLD BUSINESS: none

NEW BUSINESS:

1 N. Depot Street/Josh Bishop: R. Murphy said this was a new developer, a young man, BU graduate, interested in developing 1 N. Depot Street, the structure located next door/attached to Ari Miesel's condos, really the other 2/3rds of the building block. R. Murphy said he wanted to apprise the Board of the potential application and get their thoughts. There were originally a number of addresses at 1 N. Depot that were consolidated. Mr. Bishop has applications for Façade and Special Projects/Revolving Fund Loans. Part of the façade, the north face has had failure of the brick façade. Fencing has been positioned around it. The issue was, as far as getting a bankable loan; any bank would avoid the project. It would be a shame if the building were not redeveloped; it is located in a State/National Register Historic District. The hope would be to deal with the initial cosmetic problem, repair the façade and get that part of the roof shored up. This would secure the structure and help Bishop to move ahead with the real development of the building. In his last visit, R. Murphy suggested to Mr. Bishop that if he put up $100K and got a $100K Façade Loan from the BLDC he could pursue the repair with collateral coming from some of his other properties. R. Murphy said it would be an arrangement similar to what the Board had recently done - a Microenterprise Loan with Sayed Ali and Adam Ibraham - for the redevelopment of 73 Court Street. R. Murphy said Bishop wanted to convert it into market-rate housing with studio apartments priced in the $600 range with a live-work space on the first floor. The project is a cross between start-up housing and an incubator. He said the building had been vacant for a long time. It had a flat roof and water ran off a section of the north side and down the north face. It is a turn-of-the-century triple brick construction; the wall is completely brick, not like 21st century construction. Mortar has been washed out from between the bricks and has caused a collapse. R. Murphy explained that before the building would even be considered as collateral by a bank, Bishop needs to fix it. Probably the best approach would be to cut it back to solid structure, build a block wall and re-apply salvaged brick on the faces. This would be the purpose of Bishop's Façade Loan. R. Sall asked if there were any grants for historic buildings; Dan Babcock just got $5MM for Modern Marketing Concepts' expansion. R. Murphy said there were 20% State/20% Federal Historic Tax Credits however historic compliance might increase the project costs. A. Smith asked about the status of the rest of the building – that he had noticed an absence of activity. R. Murphy responded that A. Meisel had sold or leased almost all of the lofts at 21 N. Depot Street but units could be available from time to time. R. Murphy reiterated that he wanted to make the Board aware of this as a potential project. R. Sall asked again if there were grant funds to assist. R. Murphy responded there could be Main Street funds but that was competitive statewide and could be difficult to obtain.

Resolution 15-14: 2015 Budget
R. Murphy said the budget was essentially the same as the prior year with updated figures for contractual salaries/benefits, supplies, etc. He said the Marketing Budget was the same as 2014. R. Sall motioned, K. Frank seconded and the resolution was approved (9-0-0).

MAYOR'S REMARKS:
R. David welcomed Lesley Cornwall back to Economic Development. He said he attended press conference for the 73 Court Street. He said it was exciting because it was one of the first projects shifting away from luxury student housing toward high-end market rate housing. He said City residents see news stories about new student housing projects, say how beautiful they are but ask what is available for them. The Mayor said it was time to stop incentivizing luxury student housing; that model had demonstrated it worked. He said at some point we are going to reach a tipping point where we need more housing options for young professionals, seniors, empty nesters, anyone and everyone in between. He said 73 Court Street is exciting because the upper stories have been vacant for decades, one section sustained fire damage. 12 – 14 high-end units will be added, investing millions of dollars in rehabilitation; it's the start of a new wave of housing projects in the City. The two principals are involved in additional projects, one larger, one smaller, Tioga State Bank is a large lender. The Mayor said he appreciated the support of the Board for these types of endeavors. He acknowledged Councilman Papastrat who with the rest of City Council voted unanimously to approve the BLDC loan for The Garage, LLC. Mayor David recognized that C. Papastrat had asked many challenging questions along the way to make sure the BLDC interests were protected. He said The Garage was an exciting project, too, transforming downtown into more of a tourist destination. Mayor David said he would be leaving shortly to attend a grand opening for ScottTech, a high-tech business that had invested in a building and brought good paying jobs. He said 2014 was a "building year" laying the foundation and said it was a very exciting time in the City of Binghamton.

EXECUTIVE DIRECTOR'S REMARKS:
R. Murphy said "new" VMR just hired 15 people and is looking for another 20. The building was in foreclosure by NBT Bank. There is a new buyer, a food manufacturer who is negotiating a contract to buy the building; new VMR has a right of first refusal. The offer has gone in. Hopefully shortly we would see a new food business with 30-40 jobs which could grow to 300 jobs over the next 4-5 years. That has been working with SUNY Broome, Cornell Cooperative Extension and Cornell University as well through the CFA and URI process. There are a lot of positive things happening. R. Murphy said he was happy to be working with Lesley Cornwall.
R. Sall asked how things were progressing with the grocery store. R. Murphy said the developers were looking for a different loan package. He said the project was not on hold but the financing was. He said he had received interest in grocery stores elsewhere in Binghamton. He said he would love to see an upscale downtown grocery store, a Trader Joe's.

C. Papastrat motioned for adjournment, K. Frank seconded and the meeting adjourned at 9:36 AM.

Ron Sall, Secretary
Binghamton Local Development Corporation