

Local Development Corporation (LDC) of the Town of Union,

Broome County (Endwell), New York

2018 Annual Report on Operations and Accomplishments

January 1, 2018 – December 31, 2018

Operations

Founded in 1982, the Local Development Corporation (LDC) of the Town of Union is a 501(c)(3) Corporation under the Internal Revenue Code and is governed by a seven (7) member board and one (1) non-voting Emeritus Member, all board members are residents of the Town of Union. LDC Board Membership includes individuals that live in different geographic areas within the boundaries of the Town of Union and have a number of diversified backgrounds and expertise in areas such as education, small business development, real estate development, commercial banking, and fortune 500 companies. LDC Board Members are appointed by a simple majority of the seven (7) voting Member Board. Management/staff appointments to the Local Development Corporation of the Town of Union are made by the Supervisor and Council Members of the Town of Union. Management/staff are employees of the Town of Union Municipal Government and are not employees of the Local Development Corporation of the Town of Union.

The Local Development Corporation (LDC) of the Town of Union is funded solely by Community Development Block Grant (CDBG) funds, and Urban Development Action Grant (UDAG) funds as are allocated by the Town of Union Municipal Government for economic development related projects, as well as monthly revenue generated in the form of interest and principal repayments for business loans that have been made by the LDC. The Town of Union, as an entitlement community, is the annual recipient of CDBG funds via the federal government's Housing and Urban Development (HUD) agency.

The Local Development Corporation (LDC) of the Town of Union works closely with the Broome County Industrial Development Agency (BCIDA) a/k/a The Agency, the Regional Office of New York State Department of Economic Development/Empire State Development (ESD), and the Southern Tier Regional Economic Development Council (REDC) regarding Upstate Revitalization Initiative (URI) funding and the Consolidation Funding Application (CFA), to provide greater flexibility in leveraging resources in order to undertake economic development projects acting in the public interest for the overall benefit of the community. The LDC also works with other resource partners in order to facilitate projects that will increase commerce in our community, including Binghamton University's Office of Entrepreneurship and Innovation Partnerships (Start-UP NY), Broome Community College Entrepreneurial Assistance Program (EAP), U.S. Small

Business Administration (SBA), Service Core of Retired Executives (SCORE), Small Business Development Center (SBDC), Southern Tier East Regional Planning Development Board (STERPDB) a/k/a Southern Tier 8 Regional Board, Broome County Land Bank Corporation (BCLBC), and the City of Binghamton's Economic Development Department/Local Development Corporation, to name a few.

The Board Members to the LDC do not receive any compensation by the Corporation for their services.

Accomplishments

Though the Upstate NY and local economy still showed signs of weakness and tentativeness, our balance sheet remained strong. The LDC showed a slight increase in total assets increasing by \$24,382 compared to 2017. In 2018, the LDC approved \$500,000.00 in loans to existing small business loans, which are expected to conservatively leverage far in excess of \$3,375,000 in private sector financing, owners' equity, and other agency funding, a ratio of almost 7:1 of private sector investment to public sector LDC funding. The approved projects, which assisted businesses in manufacturing and food processing, is anticipated to lead to the retention and creation of 40 FTE jobs in the Town of Union and lead to business expansion and redevelopment of vacant buildings, which will assist in the economic stabilization of transitional mixed use neighborhoods to promote commerce, and act as a catalyst to spur further private sector redevelopment efforts in and around our recognized Innovation districts.

In 2018, the LDC continued its Business Retention and Expansion (BRE) visitation program, visiting over 60 existing small and large businesses, representing a number of industry sectors. The BRE visitations are conducted annually, among other reasons, is to ascertain if the needs of the business community are being met by the current economic development programs. As a result of the many one-on-one BRE meetings the LDC conducted, it was determined that the variety of available LDC programs is meeting the clients' needs while still maintaining compliance with any Housing and Urban Development (HUD) regulatory requirements.

During 2018 the Town Economic Development Office/Local Development Corporation was also once again an active participant in the many Southern Tier Regional Economic Development (STREDC) meetings and ongoing visioning sessions in order to come up with transformative economic development projects for the Southern Tier's \$500 million Upstate Revitalization Initiative (URI) plan that the was awarded by New York State as part of our collaborative region wide 2015 submission.

The Town Economic Development Office once again worked closely with the Village of Endicott in the submittal of a \$10 million Downtown Revitalization Initiative (DRI) Grant application to New York State for the Southern Tier Regional Competition, but was not one of the three selected finalists.

The Town Economic Development Office also worked with both of the Villages of Endicott and Johnson City in drafting of their respective Innovation District (iDistrict) plans with Broome County hired Consultant, Bergmann & Associates, that were subsequently submitted and now recognized by New York State as innovation districts which should lead to potential grant funding opportunities through a recently established \$20 million Greater Binghamton Grant Fund for both public and private sector projects located in the recently established iDistricts. The defined Endicott innovation district is now known as the Advanced Manufacturing iDistrict and the Johnson City innovation district is now known as the Johnson City Health & Cultural iDistrict.

Subsequently, the Town Economic Development Office was instrumental in securing \$9,872,260 of the \$20,000,000 in Greater Binghamton Grant Funding for the Village of Endicott for various projects, ranging from the construction of a new hotel, street scape and gateway improvements, parking lot improvements, business expansion projects, construction of a mixed use market rate housing project, to an adaptive reuse of a former school for an affordable housing project.

The Town Economic Development Office was also active in securing \$2,360,930 of the \$20,000,000 in Greater Binghamton Grant Funding for the Village of Johnson City for various projects ranging from new and existing business expansion, establishing a building façade program, park improvements, creating wi-fi hot spots, streetscape and gateway improvements, and the creation of a pedestrian rail trail.

In addition both Villages of Endicott and Johnson City were the recipient of another \$1,949,000 of the \$20,000,000 in Greater Binghamton Grant Funding for an indoor private sector agriculture project(s), which was spearheaded by the Town Economic Development Office, and will be located in both localities.

Lastly, both the Villages of Endicott and Johnson City (along with the City of Binghamton) are the recipient of another \$1,560,000 of the \$20,000,000 Greater Binghamton Grant Funding for public art projects and murals in the recognized iDistricts.

All in total, with the assistance of the Town Economic Development Office, both the Villages of Endicott and Johnson City were awarded more than \$15,000,000 of the \$20,000,000 in Greater Binghamton Grant Funding for our community.

Financials

Please refer to the 2018 Audited Financial Statements as conducted by the Certified Public Accounting firm of Piaker & Lyons, PC.