

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

Broome County (Endwell), New York

2020 Annual Report on Operations and Accomplishments

January 1, 2020 – December 31, 2020

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 of Directors. The LDC Board Membership includes individuals from a number of diversified backgrounds and expertise in areas such education, small business development, real estate development, business and personal lending institutions, municipal government, 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 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 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 various economic development entities - including 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 Consolidated Funding Application (CFA) to provide flexibility in leveraging resources for undertaking economic development projects for the overall benefit of the community. The LDC also works with other resource partners to facilitate projects that increase commerce in our community. Those partners include Binghamton University's Office of Entrepreneurship and Innovation Partnerships (Start-UP NY), Binghamton University's Koffman Business Incubator, 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 LDC Board Members do not receive any compensation by the Corporation for their services.

Accomplishments

During 2020, and subsequent to that date the worldwide pandemic, Coronavirus disease (COVID-19), began significantly impacting the United States and Upstate NY. Prior to the worldwide pandemic outbreak the Upstate NY economy had showed signs of growth since second half of 2018, and despite the pandemic the 2020 Town LDC balance sheet remained strong. The Town LDC showed a slight increase in total assets of \$4,427 compared to 2019. In 2020, the LDC dispersed \$662,500 in loan funds and \$300,000 in grant funds. The LDC also approved \$260,000 in loans to existing and start-up small business utilizing our traditional loan programs, which are expected to leverage in excess of \$1,651,000 in private sector financing, owners' equity, and other agency funding, a ratio of almost 6.4:1 of private sector investment to public sector LDC funding. The approved loans are to assist service, trade and tourism related businesses, and is anticipated to lead to the retention and creation of 23 FTE jobs in the Town of Union and lead to business expansion and redevelopment of a vacant building and brownfield, 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 2020, due to the worldwide COVID-19 pandemic and fear in the business community of in person visitations, and subsequent temporary business and municipal closures, the LDC had to reinvent its Business Retention and Expansion (BRE) visitation program. The BRE in person visitations were somewhat curtailed, but replaced with more telecommunication and remote meetings to try and ascertain if the needs of the business community were being met by NYS and Federal economic development COVID-19 related small business programs or would these programs need to be augmented in some capacity by the LDC on a local level. As a result of the outreach made to the businesses by the LDC, it was determined that the LDC would have to develop a variety of new programs to meet the business needs in our community due to COVID-19.

In 2020, the LDC established a new short-term (12-month, 0% interest rate) loan program, called the National Disaster Assistance Recovery Program (Ndarap), to address the working capital needs of existing businesses that were affected by the COVID-19 shutdown. The LDC has approved two Ndarap loans totaling \$25,000. No funds from the approved Ndarap loans have been dispersed to date. The LDC also established a three-month Payment Deferral Program

(PDP) for existing LDC loan recipients to request if they were in need of the assistance due to COVID-19 shutdown. Three current LDC loan applicants have taken advantage of the PDP, and are since back to making regular monthly loan payments after the three-month deferment was elapsed. Lastly, the LDC in conjunction with the Town of Union Community Development Department established the 2020 Town of Union LDC (CDBG-CV) Small Business Urgent Need Grant Program using \$125,000 in CDBG Coronavirus Aid Relief and Economic Security (CARES) that were allocated by Housing and Urban Development to the Town of Union. The LDC approved twelve grants totaling \$82,650 in late December of 2020. Funding is expected to be distributed in 2021 directly thru the Town of Union Community Development Department.

In 2019, after years of discussion concerning potential LDC grants, the LDC Board decided to add a Small Business Grant Access Program (GAP), as a pilot program, and earmarked a maximum total of \$50,000 for the one-time grant initiative. The LDC approved four grants of \$10,000 each. However, as of 2020 the grant funds have yet to be dispersed to the award recipients as COVID-19 pandemic has hindered the completion of some of the previously approved projects.

In 2020, the Town of Union's Economic Development Office/Local Development Corporation participation in Southern Tier Regional Economic Development (STREDC) meetings were curtailed as the worldwide pandemic put a number of transformative economic development projects, for the Southern Tier's \$500 million Upstate Revitalization Initiative (URI) plan, into a holding pattern.

During 2020, the Town's Economic Development Office continued its work with both the Villages of Endicott and Johnson City in starting the implementation of projects that were previously awarded over \$15,000,000 in grant funding in 2018. The over \$15,000,000 in grant funds awarded, in the villages, was for a variety of public and private sector initiatives. The overall grant awards in 2018 were part of a \$20,000,000 Greater Binghamton Fund that itself was funded by \$500 million in Upstate Revitalization Initiative (URI) funds that were awarded by New York State to the Southern Tier Region in 2015.

Also in 2020, the Town's Economic Development Office worked with the Village of Endicott and their consultant, Thoma Development, on the Village's 2019 CFA New York Main Street \$350,000 grant award for Washington Avenue, Endicott, NY.

Financials

Please refer to the 2020 Audited Financial Statements as conducted by the Certified Public Accounting firm of Piaker & Lyons, PC.