

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

Broome County (Endwell), New York

2017 Annual Report on Operations and Accomplishments

January 1, 2017 – December 31, 2017

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 made up of 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) 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 governments Housing and Urban Development (HUD) agency.

The Local Development Corporation (LDC) of the Town of Union works closely with 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), 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 \$1,309 compared to 2016. In 2017, the LDC closed on a few start-ups and existing small business loans totaling \$340,000, which are expected to conservatively leverage far in excess of \$1,988,000 in private sector financing, owners' equity, and other agency funding, a ratio of almost 6:1 of private sector investment to public sector LDC funding. The approved projects, which assisted businesses in a wide range of industry sectors, from manufacturing to retail and other service orientated businesses, is anticipated to lead to the retention and creation of 31 FTE jobs in the Town of Union and lead to the 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 2017, the LDC continued its Business Retention and Expansion (BRE) visitation program, visiting over 70 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 2017 the Town Economic Development Office/Local Development Corporation was also 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 also 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 and the application was selected as one of three finalists for the grant.

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.

The Town Economic Development also submitted a 2017 \$851,000 Restore NY grant application request for a \$1.5 million renovation of a vacant and underutilized warehouse building at 17 Kentucky Avenue, Endicott, NY to convert it into a state-of-the-art manufacturing space for an established manufacturer, EMT, which is expecting to lead to the creation of 30 plus jobs over the next three years in addition to the 144 existing jobs the company already has.

The Town of Union Economic Development Office additionally assisted the Village of Endicott with their own \$1,000,000 Restore NY grant application for the demolition of two vacant and underutilized buildings commonly referred to as the former Kmart building in Endicott Plaza and the former Endicott Inn on Washington Avenue in the recently designated Advanced Manufacturing iDistrict for to be identified redevelopment projects.

Financials

Please refer to the 2017 Audited Financial Statements as conducted by the Certified Public Accounting firm of Piaker & Lyons, PC.