



SUMMER 2011

STEG | SOUTHERN TIER ECONOMIC GROWTH

PROSPECTS | PROGRESS | PARTNERSHIPS

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Planes, Horses ... and Smart Growth

For the past 10-20 years, planners and developers have used the philosophy of “smart growth” to discourage urban sprawl and protect natural resources. While there are many aspects to smart growth, a key feature is adaptive reuse of buildings and sites that have outlived their useful life.

The most noticeable example we have had in the Southern Tier is the demolition of the 1.5 million sq. ft., 100 acre A&P food processing plant that has been transformed into a new shopping mall, Southern Tier Crossing. This project has maintained Chemung County as the regional retail hub of the Southern Tier and allowed Chemung County and its municipalities to enjoy consistent sales tax growth. This enables communities to hold the line on municipal property taxes.

Another example is the old Remington Rand plant. Formerly known as Wyllis Morrow, this plant was built as one of the country’s first automobile plants. Instead of building a new warehouse along I-86, Equilibrium Equities of the Philadelphia area, has transformed the 40 acre, 350,000 sq. ft. facility into a multi-tenant building supplying manufacturing at Echo Bridge and distribution for Southern Tier Logistics.



Former A&P Plant makes way for new shopping plaza.

Another perfect example is the former American Bridge plant in Elmira Heights. The 100-year-old factory, used to build structures like the Tappan Zee Bridge spanning the lower Hudson River, is now home to its fourth rail car manufacturer, CAF-USA, which has a 5-year contract to make rail cars for Amtrak.

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City Loan Fund Reaches Milestone

In June, 2011, Southern Tier Economic Growth, Inc. closed on a \$30,000 loan with Twin Graphx to open a start-up commercial design and digital printing business in a facility located at 313 West Water Street, leased from Elmira Savings Bank.

The small business loan, brought the total amount of Community Development Block Grant funds lent to businesses in the City of Elmira to \$ 4.5 million since STEG started administering the City's loan program in 1995. While this loan to establish Twin Graphx leveraged a modest additional \$75,000 in private investment and the creation of 3 new jobs, since STEG began administering the City's loan program a total of \$51.3 million of private funds have been invested in the City. A total of 1,250 new jobs have been created to date, of which 724 have been filled by people of low/moderate income, a requirement of the federal grant program.



Grand Opening of Twin Graphx.

Governor Appoints STEG President to Regional Council

On July 27, 2011, STEG President George Miner was appointed by Governor Andrew Cuomo to serve on the Southern Tier Regional Economic Development Council, along with 20 other appointees and 11 chief executives from the 8 county Southern Tier Region. In all, Governor Cuomo appointed 10 Regional Economic Development Councils from Long Island to Buffalo.

The Southern Tier Regional Council is co-chaired by David Skorton, President of Cornell University and former Chemung County Executive and current President and CEO of Corning Enterprises, Tom Tranter Jr. The Regional Councils will redesign the relationship

between state government and businesses to stimulate regional economic development and create jobs. Regional Councils will develop strategic initiatives to compete for \$1 billion in state funding.

"Competing for and creating new jobs is what STEG does and has been doing for decades," George Miner states. "I am extremely confident that the Southern Tier will be successful in the challenge. We have successfully competed for new jobs at Vulcraft, Synthes, DeMet's, CVS, General Revenue Corporation, Schlumberger, Sikorsky, American Customer Care and a host of other businesses

Southern Tier Regional Council Members

Keith Baumann

Vice President & Director of Finance, Howell Packaging

Dr. Kathryn Boor

Dean of College of Agricultural and Life Sciences, Cornell University

Patricia A. Cummings

Partner, Leonard & Cummings, LLC

Martin A. Dietrich

President & CEO, NBT Bank

Peg Ellsworth

Executive Director, MARK Project, Inc.

Ernest Hartman

Business Manager, IBEW Local 139

Diane Lantz

Executive Director, REDEC Relending Corporation

Dr. C. Peter Magrath

President, Binghamton University



George E. Miner, STEG President

resource to turn to for strategic advice and monetary grants to generate jobs in New York. These Regional Councils will provide a one-stop shop for each region in order to more specifically address the economic woes of our Southern Tier Community. Under Lieutenant Governor Duffy’s leadership, I believe the Southern Tier Regional Council will help put New York State back on the path to prosperity.”



“There are a variety of strategies and initiatives that can be employed in the Southern Tier to support economic development across all 8 counties. We share a lot of things in common; I-86, Norfolk Southern Railroad, abundant water, but there is a new attribute that can grow and sustain our regional economy for several years, natural gas. There is so much more to natural gas than just harvesting the energy

and paying royalties. Natural gas needs to be processed before it can be used. Natural gas can be made into diesel fuel and liquid propane. It can be used to create electricity cleanly and efficiently. Natural gas and its by-products are used in making chemicals. As a region, we need to not just ship it out of here, but use the energy to create even more jobs than the thousands to be created through gas exploration,” Miner added.

that have created thousands of new jobs.

Tom Tranter, President & CEO of Corning Enterprises and Co-Chair of the Southern Tier Regional Council, said, “Governor Cuomo’s Regional Councils provides the Southern Tier with an invaluable

James (Jay) McNamara
President & CEO, Endicott Interconnect Technologies

George Miner
President, Southern Tier Economic Growth, Inc.

David J. Patak
President & CEO, Lourdes Hospital

Uttara Prasad
President & CEO, Lin Industries, Inc.

Lou Santoni
President & CEO, Greater Binghamton Chamber of Commerce

Barbara J. Schindler
President & COO, Golden Artists Colors, Inc.

Linda M. Shumaker
President, Shumaker Engineering & Surveying, P.C.

Daniel Spore
Vice President, Lockheed Martin Systems Integration

Michael Stamm
President, Tompkins County Area Development Inc.

Dr. Candace Vancko
President, SUNY Delhi

A. Scott Welliver
Chairman & CEO, Welliver McGuire Inc.

10 Regional Economic Development Councils

- Capital Region
- Central New York
- Finger Lakes
- Long Island
- Mid-Hudson
- Mohawk Valley
- New York City
- North Country
- Southern Tier
- Western New York

Councils also include:

- The chief executive or supervisor of each county, and
- The chief executive or supervisor of the three municipalities with the largest population (limited to one municipal representative per county)

STEG Helps Fund Farmers Market Study

The Chemung County Agriculture and Farmland Protection Board invited STEG president George Miner to a presentation on the recently adopted Chemung County Agriculture and Farmland Protection Plan. The plan advocates for the recognition and development of agri-business in the county.

The group discussed their mutual interest in supporting agri-business through the attraction of food processing facilities for vegetables and livestock, as well as infrastructure such as sewers to support such processing plants.

STEG is currently working with the County of Chemung and agriculture groups from the multi-county region to analyze the feasibility of establishing a year round farmers market.



The feasibility study is being conducted in coordination with Mark Rivers of Brix and Company who recently developed a year round food and wine marketplace in Sonoma Valley, California.

Chemung County Housing Study



New Broad Street Apartments are under construction.

STEG commissioned an analysis of the Chemung County housing market by GAR Associates Inc. of Amherst, NY, confirming that the County's 1,674 multi-family apartment units have a 99% occupancy rate and that rent thresholds are rising. In the five multi-housing units and 35,000 single family units in Chemung County, approximately 32% of the residents are renters.

The report has been shared with local developers to encourage more construction of residential units to support the improved economy witnessed by improvements to total employment levels and a decrease in overall unemployment rates. The other factor recognized is that much of the economic activity benefiting Chemung County is related to natural gas exploration in Pennsylvania, which has not been reflected in Department of Labor statistics.

The County of Chemung reports:

- 10.4% increase in sales tax revenue
- 44% increase in room taxes
- \$8.1 billion in economic activity for the Elmira-Corning Regional Airport

The study notes that rental rates have increased 3% annually over the past few years, but occupancy levels have been consistent.

Gough Holding Corporation, with assistance from the Chemung County Industrial Development Agency, has started construction on a 144 unit apartment complex in the Village of Horseheads to capitalize on the housing demand. The first units should be completed in early 2012 for occupancy.

Southern Tier Economic Growth Launches Its New Website: STEG.com

The in-house design team at Howell, Liberatore & Associates, Inc. created the dramatically redesigned site which embodies Southern Tier Economic Growth's forward-thinking vision and commitment to the growing needs of its audience. The new website offers:

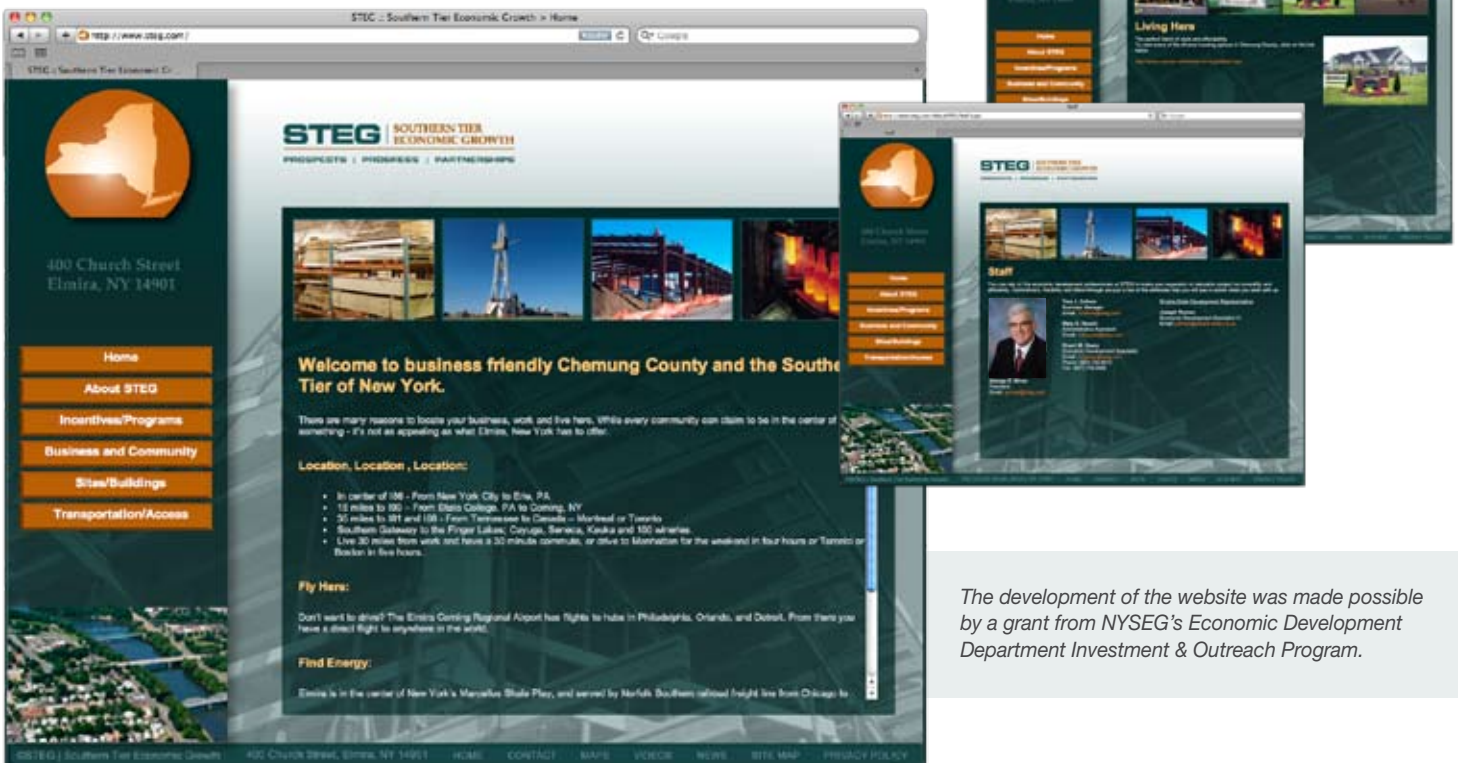
- rich content provided by STEG staff from current projects and planning efforts
- direct access to available sites within the county
- streamlined searching and more intuitive navigation
- access to the STEG online newsletter

"The site's homepage welcomes visitors with bold new colors, a clean uncluttered design, and moving images with featured content centered on STEG's mission to inspire continued job growth, private investment and the administration of economic development programs and initiatives that benefit Chemung County," stated George Miner, President of STEG.

"The changing information needs, the introduction of new projects, private investment incentives and the availability of new state economic development programs, made it a good time for a comprehensive restructuring of the online window to our services," Miner added.

Annually, many users visit STEG.com to search for successful development projects, economic incentives, loan programs, available sites and to view our results over the last 70 years of economic development.

The development of the new site began earlier this year. Numerous prototypes were created and shared with staff and users that participated in a variety of in-person and online studies in order to determine the most effective design.



The development of the website was made possible by a grant from NYSEG's Economic Development Department Investment & Outreach Program.

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Planes, Horses ... and Smart Growth



In addition to Remington Typewriters and adding machines, the Southport property was also home to American LaFrance Fire Apparatus for a period of time.

In 2011, two new “smart growth” projects are taking shape. In 1997, Chemung County won a competitive proposal to relocate the National Warplane Museum from Geneseo, NY to Elmira. The County constructed a \$3 million hangar and facilities to

house the museum and the ever popular World War II B-17 Fuddy Duddy. The Museum, plagued by debt almost immediately, finally reached the point where it had to sell the B-17 in 2002. No longer owning flying aircraft, the museum changed

its name to Wings of Eagles Discovery Center and its mission to aviation education.

Two years later, Jim Orsillo built a 40,000 sq. ft. polo arena and barns to promote his equestrian business “Thundering Hooves.” As his primary business, Orthstar, declined over the subsequent decade, the arena fell into mortgage receivership and the facility went dark.

The unfortunate circumstances of these two troubled businesses turned fortunate for the expansion and redevelopment of the former museum into the Sikorsky Military Completions Center and Customer Delivery Center. The \$12 million redevelopment project provides the company with 90,000 sq. ft. of much needed hangar space on the airport and 30,000 sq. ft. of administrative offices and support space for their international business as well as U.S. military business such as the unmanned Fire Scout program.



The former Warplane Museum is currently being renovated into a state-of-the-art facility for Sikorsky led by General Contractor Welliver, with Chemung County businesses John H. Cook Painting, Collins & Walton Plumbing, John Mills Electric, CME Associates and Hale Roofing also involved.

In the meantime, the County of Chemung has acquired the former polo arena and is investing \$3.1 million transforming the property into the new Wings of Eagles Discovery Center Museum. The facility's 40,000 sq. ft. complex

will have the look and feel of an aircraft hangar display but incorporate a learning center and classroom space to educate young people about the science of aviation.

There are many more opportunities for this type of smart growth in Upstate New York, be it urban centers or vacant retail plazas, or tired old factories.



From 1935-1972 Remington Rand manufactured typewriters and employed thousands of workers in Elmira.

Survey Promotes Job Retention

Southern Tier Economic Growth is conducting its annual Business Retention Survey to identify Chemung County businesses in need of economic development services. The one page survey is designed to ascertain whether a business is poised for growth or at a threat of losing jobs.

It's an easy one page survey, that can be completed in 60 seconds. The last question is whether the company would like to be contacted by a STEG representative. Whether a company needs access to capital, or technical assistance, STEG can help find the best resources to meet a company's needs.

If you haven't received a survey, please contact George Miner at gminer@steg.com.

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**For Lease – 700,000 SF- Will Divide
200 Westinghouse Circle, Horseheads, NY**



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