



### The First Arena *Excels Under New Ownership*

The First Arena has been a part of Elmira since it opened in 2000. However, its potential as a multi-use facility beyond recreation was never fully realized until now. After an exhaustive struggle for ownership, Tom Freeman has finally taken over as owner and is using the project as a catalyst for transformation in the City of Elmira by creating new opportunities for retail merchants and for further downtown development.

When First Arena was first conceived, it was in-tended to serve as a civic center that would host a variety of events throughout the year. Unfortunately, the company that previously managed the facility failed to produce and promote a wide variety of events and the facility had come to be known primarily as a hockey arena that was only open 36 nights a year. Since Freeman took over, the Arena has hosted several popular events including concerts, family events, the Twin Tiers Tap In featuring locally brewed beer, and other happenings.

In an effort to provide an attraction for year round entertainment, Split Rock Brewing Company was recently opened in the vacant first floor retail space of the building. It will offers locally crafted beers as well as upscale brew pub dining. The brew pub concept fits nicely with the Arena's

development strategy because it will attract people to downtown Elmira on nights when hockey is not being played in the facility and will also provide a new alternative for individuals and businesses looking for restaurant services during lunchtime.

Of course, the professional hockey team, the Elmira Jackals will continue to serve as an attraction for fans.

Improvements to the First Arena will be partially funded through a \$500,000 low interest loan through the Southern Tier Region Economic Development Corporation's Community Revitalization Program.





## ***Message From the Chairman***

As I complete my first year as STEG Chairman, I can hardly believe the year passed so quickly. Clearly, it is true that, “time flies when you are having fun”. Reflecting on the years happenings we certainly saw ever changing directions with a few bumps, a few tilts, a clown’s mouth here and there, and a few bonus points along the way, nothing like being inside life’s little pinball machine.

STEG’S mission is stated as, “STEG fosters prosperity and vitality in Chemung County through the planning, promotion and implementation of economic development programs.”

Our mission has never been more clearly needed throughout our region. Yet, at the same time harder to implement. The recent challenges we are faced with challenge our prosperity (economic well being) and our vitality (life force, energy). Both have certainly been tested and on occasion drained. I know I need not remind anyone of the economic circumstances that have affected our entire region over the last year or more.

George, Mary, Tara and Jill are, without a doubt, busier and pulled in more directions than ever before. As STEG works to help find tenants for empty buildings and fill jobs vacated in the last few years we are also continuing to assist current businesses and industries in the region. In addition, we are busy assisting Chemung County leaders search for and perhaps recognize our regions “Target Industry”. The goal is to fill new and vacated buildings and to gain back and increase job growth in our region. This is something we all recognize as dearly needed.

Even though times in our cities, county, state and country are all challenging, we still have many industries in our region that continue to prosper and grow. It is important not to lose sight of this and be thankful for it. Furthermore, we have business and political leaders that believe in our region and continue to put their efforts and finances towards its recovery and growth. Our region has faced very trying times in the past and we have survived. It is only through hard work and determination as a group that this can be accomplished.

As an organization, STEG will continue to work hard to help promote the economic development and business retention in our region. It is, however, only through your financial and emotional support of STEG that this is all possible. Thank you all for your continued support of STEG. Your commitment benefits us all professionally and personally in the community we call home.

*William H. Beecher*

***Chairman***



## ***Message From the President***

This past year, the Southern Tier economy continued to struggle to emerge from the Great Recession. Each economic indicator used to measure economic growth lagged behind the state and nation.

As 2013 comes to a close, these indicators do appear to have leveled off and appears to be on the incline. CAF secured more contracts, this time with Kansas City, and expanded facilities to build rail vehicles for Cincinnati and Houston, while completing the first cars for Amtrak. Corning Inc. made the long awaited announcement to invest \$250 million to expand its diesel emission control substation facilities and recently announced a long term partnership with electronics giant Samsung. There has also been modest employment growth at Vulcraft, Hilliard, Kennedy Valve, DePuy Synthes, and General Revenue Corporation, a key economic indicator can be seen in capital investments. Businesses across all industries, including retail and natural gas exploration, have invested in facilities such as the new Fairfield Inn, Field and Stream, Xylem, H.O.S.T. Terminal, CAF USA, Hilliard and others.

The local economy should realize positive gains from natural gas drilling in Pennsylvania in 2014, as well as the construction of wind turbines in Chemung and Schuyler Counties. The new Field and Stream store will attract thousands of new customers to the Southern Tier's retail hub, while two additional hotels are planned to house business travelers and tourists to the steadily growing Finger Lakes Wine Country.

New York's new initiatives, like Start-Up (Tax Free) New York, Regional Hot Spots, and the overall competitiveness of New York State are variables that will influence the success of local initiatives such as Airport Corporate Park South. A top priority is the repurposing of over 700,000 sq. ft. of manufacturing space abandoned by Sikorsky and Belden in 2013.

STEG and its partners are working diligently to plan, influence, and facilitate economic development initiatives in the County and region. Your continued support of STEG is greatly appreciated.

*George E. Miner*

***President***

# CAF USA

## Rail Car Manufacturer Growth Continues



From left: Chemung County Executive Tom Santulli, Amtrak Project Team Leader, Jim German, Amtrak President and CEO Joe Boardman, and CAF President and CEO Andres Arizkorreta during a tour of the facility on October 24. (Photo: Eric Wensel)

Trains have always been important to the economic viability of Elmira and the Southern Tier. Elmira has served as the transportation hub of the Southern Tier since 1849 when the New York and Erie Railroad was built through Elmira connecting Buffalo to New York City.

Today, the railroad and trains are just as important as ever. For the past 30 years, the Southern Tier has built trains at Alstom in Hornell and Bombardier in Kanona. CAF USA's 300 East 18<sup>th</sup> Street facility in Elmira Heights has a long history of rail car manufacturing starting with Sumirail, then ABB Traction and ADtranz, to CAF USA.

CAF USA's employment swelled to 500 employees in 2013 thanks to contracts with Amtrak for trains and the City of Houston for light rail vehicles. Additional contracts were

secured for Cincinnati and Kansas City this year which will sustain employment for several years. CAF-USA plans to add over 100 additional jobs in Elmira Heights in 2014. The Amtrak contract alone has directly resulted in over 100 other manufacturing jobs in the Southern Tier, most notably at TTA in Kanona that supply the trucks (wheel assemblies) for the Amtrak vehicles.

STEG assisted CAF with the acquisition and refurbishment of the rail spur abandoned by Norfolk Southern Railroad that runs 2.08 miles from Woodlawn Avenue to the Elmira Heights plant, as well as providing financial assistance with the expansion of manufacturing facilities to accommodate the Houston contract and a climate control chamber for the Amtrak contract.

# Vulcraft

## *Chemung Facility Experiences Continued Growth*

The first Empire Zone project in New York State, Vulcraft of New York, experienced considerable growth in 2013, surpassing 300 employees in the Town of Chemung for the first time. Vulcraft of New York is an engineering products group of NUCOR. The Chemung plant is one of seven Vulcraft plants and it is the largest producer of steel joists and decking in the United States.

One of the projects helping Vulcraft of New York grow is the World Trade Center structures, including the new Freedom Tower under construction in New York City. NUCOR is the primary supplier of structural steel to the project and is the largest supplier of steel beams to fabricators working on the structures.

This summer, Vulcraft had over 8,000 solar panels installed on the roof of one of their manufacturing plants in Chemung. The green energy produced will provide about 1/6 of the manufacturing operations needs with the balance being sold to the grid.



## General Revenue Corporation

### *Senator Schumer Saves Local Jobs*

Economic development comes in many forms. Sometimes a project involves years of hard work to gain significant investments and hundreds of new jobs, like DePuy Synthes or Vulcraft. Other times it's similar to making lemonade out of lemons. General Revenue Corporation fits that analogy. In 2004, STEG worked with New York State to locate a subsidy of Sallie Mae into the former World Kitchen headquarters in the Airport Corporate Park after the Consumer Products Company filed for bankruptcy and moved its headquarters to Virginia, leaving behind a vacant 60,000 sq. ft. office building.

For the past nine years, GRC has employed hundreds of collection recovery specialists. In 2013, that almost came to an abrupt end when new federal student loan negotiations in the U.S. Senate threatened to eliminate the 430 GRC jobs in Chemung County by eliminating loan rehabilitation fees paid to GRC to collect on student loans that are in default. GRC saves the federal government millions of dollars by restoring non-performing loans. Over 6.5 million Americans are currently in default on federal student loans, a rate that has tripled in the last decade. Senator Charles Schumer acted swiftly to preserve these jobs at GRC while maintaining student loan rates below four percent by promoting a bill that eventually passed the House and Senate that eliminated the proposed legislation.

Hilliard Corporation  
*Continued Success in Elmira*

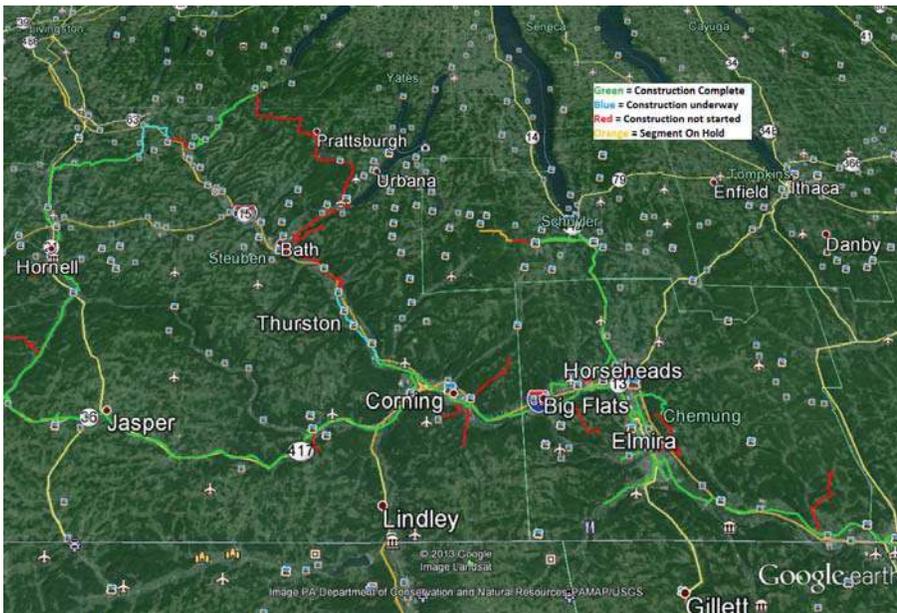


**Hilliard**  
[www.hilliardcorp.com](http://www.hilliardcorp.com)

Chemung County's largest for profit employer, Hilliard Corporation, continues to invest and grow in the City of Elmira.

The 108 year old manufacturer of motion control equipment and industrial filtration systems received ISO-9001 certification in May and introduced LEAN Manufacturing Technologies with help from the Alliance for Manufacturing and Technology.

Hilliard will expand its filter cartridge business in 2014 with the upgrade and replacement of pleating and assembly equipment for the "high temperature replacement cartridge markets". The project will add 10 additional jobs to its 600+ workforce.



Network build began May 2012. 179 miles of the 235 miles have been completed. Expected completion date by December 2013.

Two hundred fifty miles of optical fiber has been installed throughout Steuben, Schuyler, and Chemung Counties establishing the Central Southern Tier as a globally competitive community. The Southern Tier Network provides "Open Access" dark fiber enabling access to high speed broadband connectivity throughout the most rural reaches of the region.

Broadband connectors have linked the regions businesses, hospitals, schools, public safety entities, and municipalities in with major metropolitan regions of North America. The project was made possible thanks to the generosity of Corning Incorporated and participating counties.

Application has been made to New York State to help fund an additional 127 miles of fiber from the Chemung County border through the counties of Tioga and Broome and spurs to Ithaca and Alfred will allow the connectivity of Binghamton University, Alfred University and Cornell University supporting the Governors Start Up NY and Hot Spot initiatives.

# Transportation Improvements In the Southern Tier



Chemung County continues to expand its transportation accessibility and regional gateway for businesses, tourism, and local travelers.

Immediately following Alle-

giant Airlines addition of direct flights to St. Petersburg-Clearwater International Airport (Tampa), to its non-stop flights offered to Sanford (Orlando), United Airlines will begin non-stop flights from the Elmira-Corning Regional Airport to Chicago's O'Hare International Airport starting in February 2004. The Chicago hub offers connections to over 160 destinations in United's global network covering every continent.

STEG partnered with the Steuben and Chemung County IDA's, Chemung County and Three Rivers Development to provide a modest grant to help market the flights that will begin in February.

In September 2013, the 15.8 mile section of highway for Ashland, Elmira, and Chemung was joined with more than 200 miles of former Route 17 that have been designated Interstate 86 by the Federal Highway Administration. Work continues east of Elmira in Binghamton, and through the Catskill

Mountains, which will extend 381 miles of interstate from Erie, Pennsylvania into I-87 in the Hudson Valley. Completion of the entire interstate is planned for 2020.

In October 2013, after 10 years and a \$230 million investment, an 80 mile section of rural two lane road known as Route 15, have been converted to a new four lane expressway connecting I-86 in Corning to I-180 in Williamsport, Pennsylvania. The new four lane has been submitted to the FHA for designation as Interstate 99. The divided highway will greatly improve safety and spur economic growth allowing an uninterrupted interstate corridor between New York and Pennsylvania as well as enhancing shipping from Canada and the Southeast and mid-Atlantic states.

Chemung County today rests between North-South Interstates 99 and 81 and directly on East -West I-86. Coupled with the Elmira-Corning Regional Airport and Norfolk Southern railroad passenger and freight access is easily available through North America and the world.



## Elmira College Nursing Program

While much of the community's attention concerning Elmira College tends to focus on Octagon Fairs, the new baseball team, or hockey, the college continues to grow its enrollment of full-time students and has expanded graduate and continuing education programs to meet the needs of the region's residents, and businesses.

STEG is working with Elmira College to assist with financing \$4.7 million in 2<sup>nd</sup> – 4<sup>th</sup> floor renovations to historic Cowles Hall to equip and relocate the College's Nursing Programs. Elmira College invested over \$30 million into the historic facility over the past two years, stabilizing the structure and revitalizing the community asset.

The upper floor space will include state of the art learning facilities, including modern clinical laboratories, classrooms and faculty offices, which will enable Elmira



*Newly renovated Cowles Hall on Elmira College's campus*

College to expand its health education programs to include a Masters in Nursing, Sports Medicine Degree and Physician's Assistant Degree. The new and improved health education programs and facilities will help the college to grow enrollment further, as well as faculty employment.

## Housing Demand Spurs Arnot Realty Project

Arnot Realty constructed 48 luxury apartments called "The Meadows" on Hickory Grove Road in Big Flats. The project, in response to existing and anticipated demand for new housing from Corning, Inc, CAF-USA, and other regional expansions, has room for 48 more units, should the demand persist in 2014. Arnot Realty constructed 160 units at its Hickory Grove complex in



1999, which has maintained 100% occupancy, and has been renamed "The Stillwater" to accommodate the new complex.

In 2013, Gough Holding developed the 144 unit Colonial Manor Apartments in the Village of Horseheads.

Both developments were constructed by Elmira Structures Inc.



**HICKORY  
GROVE**  
— THE —  
**MEADOWS**

# Arnot Health Expands Academic Program



In 2012, Arnot Health announced the establishment of its Graduate Medical Education program, transforming itself into a teaching hospital/ healthcare system. Through a partnership with the Lake Erie College of Osteopathic Medicine, medical students and residents are now continuing their education and training with providers and in settings throughout the Arnot Health system.

The program offers experiences for students and residents in various specialties, including Internal and Family Medicine, General Psychiatry, Osteopathic Surgery, Diagnostic Radiology, Cardiology, and Endocrinology. A rotating Osteopathic Internship is also available. Fellowships are offered through the School of Radiologic Technology, Cardiology, Endocrinology and Metabolism.

A physician training program in our community is a tremendous asset from an access-to-care perspective, a physician recruitment perspective, and an economic development perspective. Similar to the impact a college has on the community in which it operates, Arnot Health's Graduate Medical Education program provides a significant economic impact to the region. There is an important difference, however. Many of its enrollees work and reside in the community, some with families that have moved here with them. This has an amplifying effect on the community, and we are pleased to be home to such a valuable program.

Arnot Health expects to have over 100 students, interns, fellows and residents training and working in the Southern Tier in 2014.



# 2013 Budget

## Income

Chemung County	\$ 75,000.00
City of Elmira	\$ 30,000.00
Town of Big Flats	\$ 1,000.00
Town of Chemung	\$ 5,000.00
Town of Elmira	\$ 7,500.00
Town of Horseheads	\$ 12,000.00
Town of Southport	\$ 15,000.00
Village of Elmira Heights	\$ 5,000.00
Village of Horseheads	\$ 10,000.00
Private Business Contributions	\$ 298,700.00
Chemung County Industrial Development Agency	\$ 90,000.00
Fees and Interest	\$ 32,200.00

TOTAL \$ 581,400.00

## Expenses

Salaries/Fringe	\$ 397,900.00
Facilities/Utilities	\$ 13,800.00
Equipment/Supplies	\$ 19,100.00
Project Costs	\$ 25,000.00
Marketing	\$ 30,000.00
Administration	\$ 60,050.00

TOTAL \$ 545,850.00

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