



Airport Corporate Park South

Infrastructure Development Nearly Complete For Shovel Ready Site



Four phases of infrastructure were installed into the 200 acre Airport Corporate Park South located along I-86, west of Kahler Road South. The majority of work involved the extension of a mile of water line from the Elmira Corning Regional Airport under Interstate 86 and across the site from Kahler to Hibbard Road in the Town of Big Flats. Favorable costs have enabled the waterline to be completely installed versus a portion as originally planned. A sewer pump station and connection to the force main running along the former rail line was completed and 3-phase electric expanded. This winter a 6 inch natural gas line will be introduced to the site from Hibbard Road and then east onto the site.

In 2015, plans include further extension of infrastructure on site, but most

importantly construction of storm water systems and new road access necessary to allow construction of commercial buildings.

With limited developable sites along Interstate 86 in the Southern Tier to attract new and expanding business, Airport Corporate Park South holds promise to attract similar development as witnessed in the original Airport Corporate Park. The business park development has been funded by the Chemung County Industrial Development Agency, with land contributions by the County of Chemung, and with assistance from a Southern Tier Regional Infrastructure Fund for Shovel Ready Sites low interest loan through the Southern Tier Regional Economic Development Corporation.





Message From the Chairman

I can hardly believe my tenure as STEG Chairman is coming to an end. It seems like only yesterday I was invited to join STEG'S executive committee. I accepted the invitation and remember thinking that I would not be chairman for six years. It seems impossible that time has gone so quickly. The experience of being STEG'S Chairman has been very fulfilling and rewarding. I have learned a great deal from my time as chairman and hope, in some small way, I have aided in our mission of, "fostering prosperity and vitality in Chemung County through the planning, promotion and implementation of economic development programs". The public/private partnership which defines STEG is a unique blend that brings

all parties to the table. The STEG mission benefits not only our local community, but the entire region.

While STEG'S mission has never been more important, the tasks and directions the group faces continue to be more and more challenging. As this group works to retain and grow business and ultimately job growth, the ebbs and flows of life continue to make this a complicated and often hard fought battle. As a result, the STEG staff must adapt and adjust to meet the ever changing directions and needs that are required to meet their objectives and goals.

The staff, George, Mary, Tara, and Jill are extremely experienced and knowledgeable, and we are very fortunate to have them working on our behalf. They understand how the system works and what steps are needed to meet our goals and objectives. Whether dealing with local political leaders, municipalities, business leaders, or developers, the STEG team works hard to get the job done.

Being a lifelong resident of Chemung County, and having a family with historical ties to the establishment of this region, I believe whole heartedly in the promotion and implementation of economic development in Chemung County.

It has been my pleasure to serve as your STEG Chairman, and I thank you for the opportunity to be part of such a great organization.

Thank you all for your continued support of STEG.

William H. Beecher

Chairman



Message From the President

2014 was a year of planning, preparing, grant writing and resolutions.

STEG, in collaboration with the Chemung County IDA and County of Chemung, engaged the consulting services of Donald T. Iannone Associates to conduct a Target Industry Study to identify future industry sectors with growth prospects for our area, as well as a Workforce Study to evaluate how well the area labor force aligns with these growth industries. A summary article is in this report.

Staff worked with Fagan Engineers, NYSEG, the Town of Big Flats and the Chemung County Sewer District to introduce infrastructure to the 200 acre site at Kahler Road South (Exit 50) at I-86 known as Airport Corporate Park South. Additional infrastructure and site preparation work (road/storm water) is planned for 2015 to develop the site into the region's most strategically located business park.

As I am writing this, the Fourth Round of Regional Council Awards have not been announced, however two projects that STEG staff prepared grants for were among the highest ranked in the seven county region; the expansion of Alfred Technology Resources Inc. incubator to the former Schweizer Aircraft plant and the acquisition of the vacant Sikorsky Hawk Works plant by Emhart Manufacturing to retain and grow the 70 year old inspection machinery manufacturer in the community. Another was a strategic grant involving an interconnection/pump station between the Elmira Water and Big Flats Water systems.

As for resolutions, the lease guarantees between Sikorsky (UTC) and the Chemung County IDA were settled on October 15, 2014, along with their respective mortgages (\$23 million). The buildings are paid off allowing for the pending transaction with Emhart Manufacturing and a new future for the renovated former Warplane Museum.

With the conclusion of statewide elections in November, the region will get one of the coveted regional gaming casinos. Our bet is on Tioga Downs, which would have by far the greatest economic impact on Chemung County and frankly, prevent its possible closure if not selected.

Thank you for your continued support.

George E. Miner

President

Field & Stream

Fills an Important Retail Gap and Becomes a Destination

The Southern Finger Lakes Region finally got its outdoor sports store with the grand opening of the new \$11 million Field & Stream store by Dick's Sporting Goods, Inc. in October. Like the Dick's Sporting Goods store in Southern Tier Crossings, the Field & Stream store is reusing long vacant commercial space. In the case of Dick's, it was the former A&P foods processing plant built in the 1960's and abandoned around 1980. The Field & Stream store is built on the site of a Walmart Store built in the mid-1990's and vacated for a new "Super Walmart" built at the old A&P site.

The Field & Stream store will bring 30 full-time and 80 part-time positions and attract an estimated 50,000 shoppers annually from outside the Southern Tier Region. The store specializes in hunting, fishing, camping, paddling, and related outdoor products and services.



Corning Community College Welding Program

New Program Will Help Workers and Employers



STEG President George Miner gave remarks during the ceremonial ground-breaking of Corning Community College's Workforce Development Welding Program. The state-of-the-art welding lab opening in February 2015 at CCC's Academic and Workforce Development Center in Elmira will be equipped with welding simulator stations and hands on equipment to prepare students for employment in the welding industry.



First Arena

Improvements Enhance Fan Experience



The First Arena continued its acceleration into a multi-use civic center through major renovations and investment under new ownership, First Excelsior Group, LLC. Over the past year, the Splitrock Brewing Co. established itself as a quality dining experience, which was made possible through STEG's assistance with a \$500,000 Southern Tier Community Revitalization loan through the Southern Tier Regional Economic Development Corporation.

In 2013, more enhancements were made through an investment of a \$1.5 million grant from New York State Empire State Development for improvements to the ice making equipment, a new state-of-the-art scoreboard, and outdoor digital marquee.

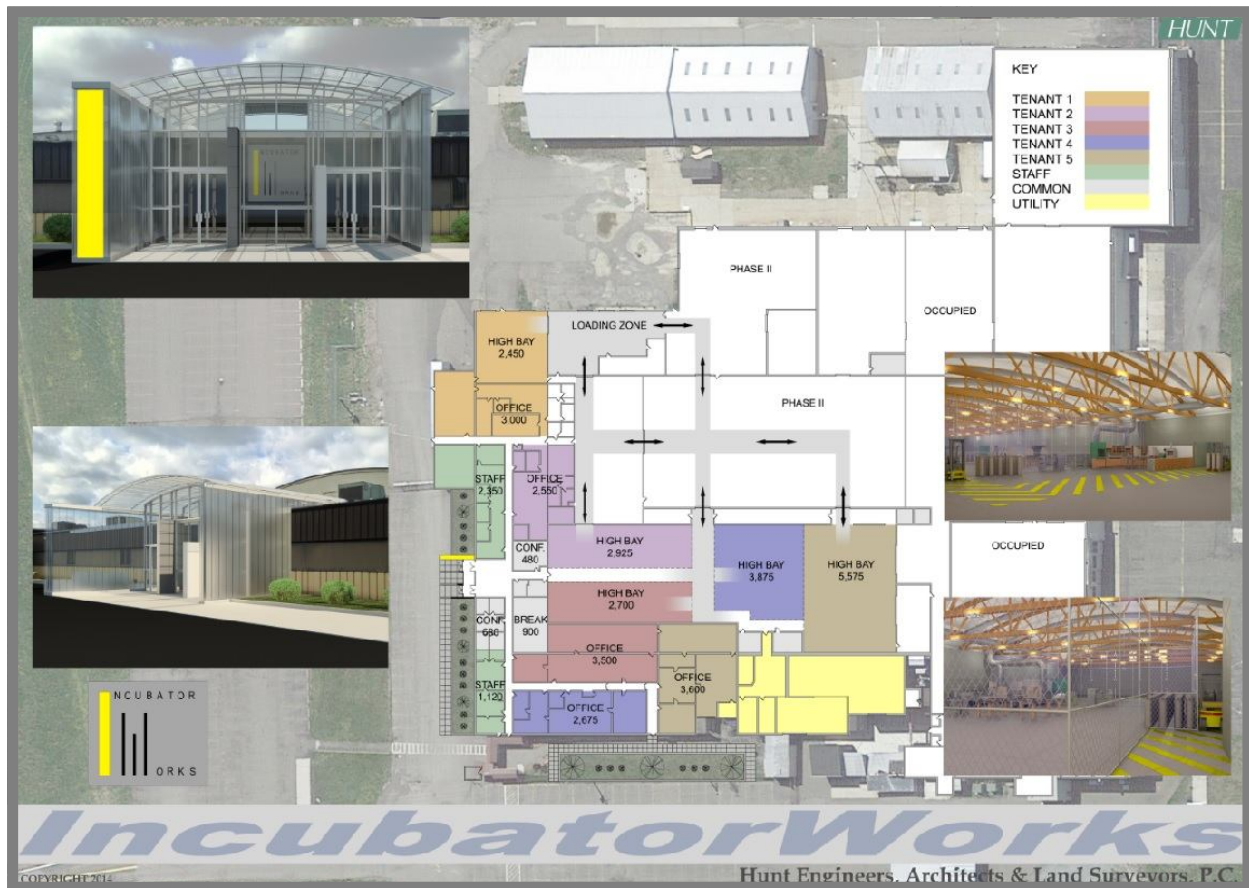
In addition, STEG and Elmira Downtown Development secured a \$100,000 New York Main Street Grant to assist with interior painting of the entire facility and installation of tile on the second floor main room and all of the corporate suites.

In an effort to instill community engagement, the Jackals hockey team has transitioned into a fan/community owned organization.



IncubatorWorks

Manufacturing Incubator Moving into Former Aircraft Facility



While attending regional meetings on the START-UP NY program, administrators of Alfred Technology Resources, Inc. (ATRI) became intrigued about the availability of manufacturing space at the former Schweizer Aircraft facility in Big Flats. ATRI's namesake business incubator program, the Ceramics Corridor needs space to expand its operations and to provide low-cost space to fledgling high-tech companies.

ATRI, in partnership with STEG, secured a grant from the State of New York, a low cost loan from the Chemung County IDA, and is applying for additional grant assistance from NYSEDA, Appalachian Regional Commission, and NYSEG, to redevelop approximately 50,000 sq.ft. of the vacant manufacturing facility into business suites that provide space and access to high bay manufacturing space, industrial electric, fiber optic broadband, offices, conference rooms, and shared lab space.

Redevelopment is estimated to cost over \$1 million to enable the Ceramics Corridor to expand. Corning Community College included the Incubator Works space in its START-UP NY campus plan, which will enable businesses to access the State's aggressive tax incentive program. The facility will also be part of the Regional Hot Spot initiatives of Cornell, Corning Inc., Binghamton University, and the University of Buffalo.

The Ceramics Corridor celebrated its 26th anniversary in 2014, and has helped to generate over 30 new businesses specializing in ceramics, advanced materials, and recycling rare earth minerals. Incubator Works will leverage the resources of regional academic institutions and economic development partners to grow the well-recognized technology niche the Ceramics Corridor has come to be known for. At least 50 new jobs are expected to be created by businesses locating in the new incubator.

Access Midstream

New Facility Makes Room for Business Expansion

In the summer of 2014, Access Midstream consolidated its Marcellus Regional headquarters into a newly constructed 40,000 sq. ft. facility at IST Center in Airport Corporate Park and moved over 100 employees in to design and maintain its natural gas mid-stream pipelines and facilities that bring natural gas from well sites to distribution lines.

Headquartered in Oklahoma City, the company signed a long term lease with property owners Sonwil Development, which freed

up needed space at the IST campus to enable other tenants like CemeCon to expand. Altogether, the IST Center is home to over 250 employees at Access Midstream, CemeCon, Mirion Industries, Photonic Controls, and other long term tenants.

The Chemung County Industrial Development Agency provided financial assistance for Sonwil Development to provide a competitive lease rate that encouraged Access Midstream to locate in the Airport Corporate Park versus competing sites in Pennsylvania.



IBEW 139 Training Facility

New Location Preserves Historic Building

The International Brotherhood of Electrical Workers 139 (IBEW 139) redeveloped the former Coca Cola Bottling Company Works building located at 415 West Second Street, Elmira to be used as its new headquarters and training facility for electrical workers. The \$1 million project received a \$500,000 Southern Tier Community Revitalization Program Loan through the Southern Tier Regional Economic Development Corporation, which is a program designed to help revitalize key commercial buildings located in community centers.

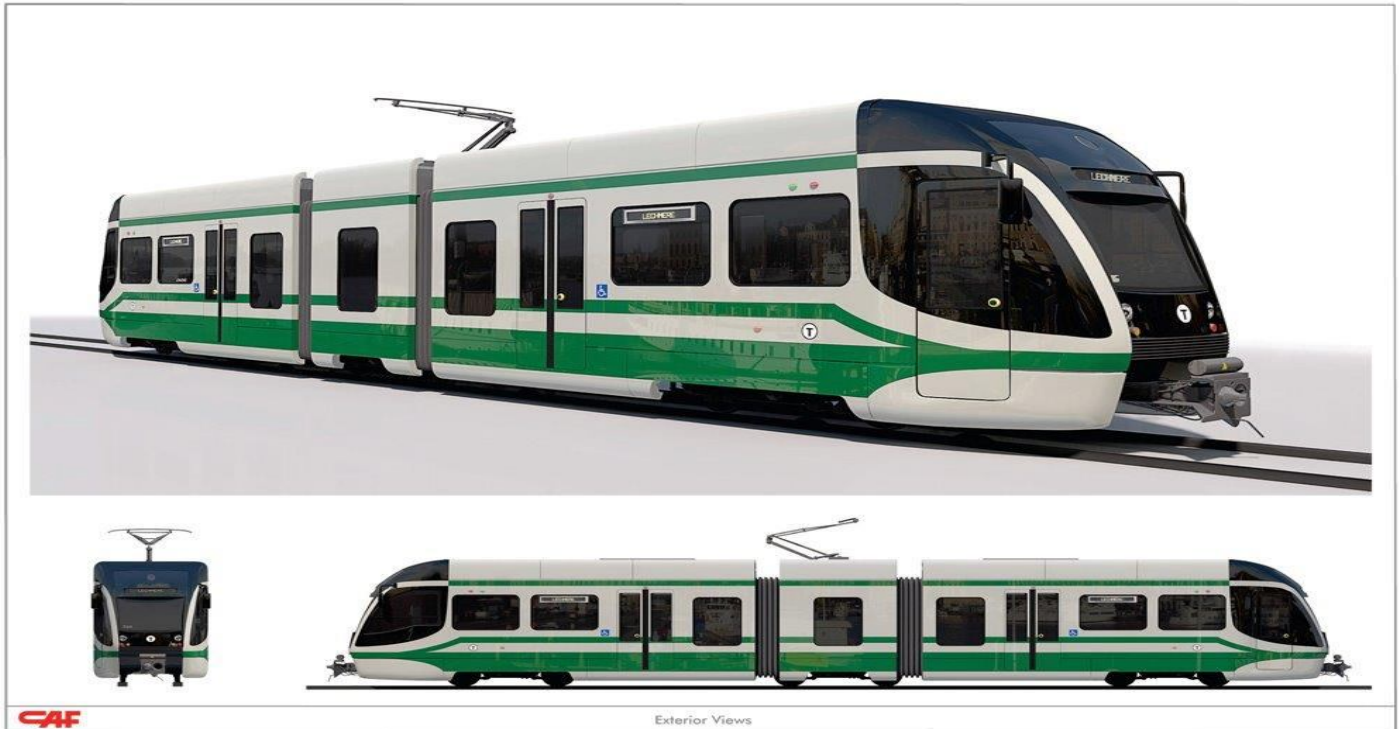
STEG assisted by acting as the applicant for the loan. The project also received mortgage, sales, and property tax incentives through the Chemung County Industrial Development Agency. The 19,064 square foot building, built in 1939, is also listed on the National Register of Historic Places, making this an important historic preservation project as well.

The facility has become the IBEW 139's training facility which will produce ten master electricians per year and create green technology training opportunities.



CAF USA

Multiple Contracts Lead to Record Employment Numbers



2014 was the busiest year ever for CAF-USA. Employment swelled to 800 employees at the Elmira Heights campus. CAF had to expand its manufacturing facilities to accommodate work on four separate contracts over three different rail vehicle designs.

CAF continued work on the 130 rail car order with Amtrak and invested in a robotic welding line to become one of two rail car companies that manufacture rail car shells in the United States. Work also continued on the 39 light rail vehicle order with Houston Metro. This project required constructing 43,000 sq. ft. of final assembly space and several rail spurs to move cars from buildings to test tracks and to ease the delivery of Amtrak cars to Norfolk Southern's mainline for delivery.

In late 2013, CAF was awarded a contract for \$133 million to manufacture five electric street cars for the City of Cincinnati. In mid-2014, Kansas City, Missouri, ordered four of the same electric street cars. In June, CAF-USA was awarded a \$118 million contract to build 24 rail cars for Boston's Green Line extension project. The Green Line is a light rail system serving the Boston Metro area. It is the oldest Boston subway with tunnels dating back to 1897 with a daily weekday ridership of 210,000. The Green Line is the second most heavily used light rail system in the country. Delivery of the new Green Line cars is scheduled for 2017 and 2018, with Houston and Amtrak contracts scheduled to end in 2015 and 2016 respectfully.

Target Industry Study

Report Shows Chemung County's Industry Growth Potential

A Target Industry Study was commissioned by STEG, the County IDA and Chemung County identifying industry growth prospects for Chemung County to help guide economic development planning efforts over the next 3-5 years.

The study identified industry clusters with the greatest potential to expand or be attracted to Chemung County based on an analysis of economic and industry trends at the national, state, and county level, and an analysis of our state and local economic development climate and competitiveness.

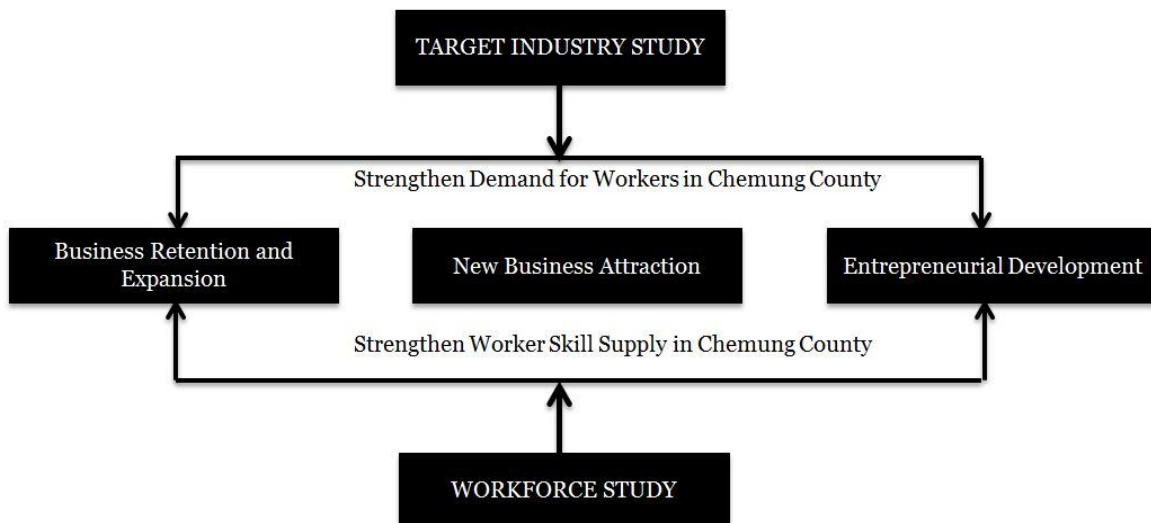
A workforce analysis was also conducted to assess the regions labor supply and demand and how it supports the future economic development efforts recommended by the Target Industry Study. The study found a shortage of skilled and high-skilled workers to support advance manufacturing. This is a result of state and regional trends of population loss and an aging labor force. Seventy seven percent of future job openings will be a result of attrition, and not new jobs. Of concern is that relatively few of the projected growth occupations are aligned with the skills needed by those industries identified in the Target Industry Study.

Efforts at graduate retention, talent retention, and attraction and long term industry diversification is recommended.

The findings concluded that the following Industries had the greatest growth potential:

- Food Products
- Wood Products
- Plastic & Rubber Products
- Fabricated Metal Products
- Machinery Manufacturing
- Warehouse/Distribution
- Healthcare/Hospitals
- Internet Services

The Target Industry and Workforce studies are designed to assist STEG's future work efforts.



2014 Budget

INCOME

Municipal

Chemung County	\$ 75,000
Town of Southport	\$ 15,000
Town of Horseheads	\$ 10,000
Village of Horseheads	\$ 10,000
City of Elmira	\$ 8,500
Town of Elmira	\$ 5,000
Town of Chemung	\$ 5,000
Town of Big Flats	\$ 1,000
Chemung County IDA	\$ 90,000
Business Contributions	\$298,000
Fees/ Interest	<u>\$ 13,720</u>
	\$531,220

Expenses

Salaries/ Fringe	\$397,900
Facilities/Utilities	\$ 24,200
Equipment/Supplies	\$ 19,120
Project Costs	\$ 50,000
Marketing	<u>\$ 40,000</u>
	\$531,220

George Miner
President
gminer@steg.com

Jill Koski
Business Retention Specialist
jmkoski@steg.com

Tara J. Cofone
Business Manager
tjcofone@steg.com

Mary K. Rocchi
Administrative Assistant
mkrocchi@steg.com



STEG | SOUTHERN TIER
ECONOMIC GROWTH
PROSPECTS | PROGRESS | PARTNERSHIPS

400 East Church Street
Elmira, NY 14901

Phone: (607)733-6513

Fax: (607)734-2698

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