



TODAY: Cortland County

Handsome Brook Mill photos: Roger William Theise

TODAY: Cortland County is the Business Development Corporation's newsletter promoting industry and business growth in Cortland County.

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Last year closed with a flurry of economic development activity, highlighted by the announcement that Central New York was one of three winners of Governor Andrew Cuomo's \$1.5 billion Upstate Revitalization Initiative competition.

The December 10 announcement—which will mean \$100 million a year for economic development projects in the region over the next five years—was good news for some local developers looking at potentially transformative projects here in Cortland County. We have details inside including a look at what we'll be competing for in 2016.

This issue also profiles a longtime Cortland County business, Round House Mill, and how it's being retooled and reshaped for the

future. We've provided some information on new IDA legislation that will be phased in over the coming year, as well as some detail on how our IDA performed in a recently concluded audit by the state Office of the Comptroller.

Finally, we've profiled Christella Yonta, the new executive director of the Cortland County United Way. Lots going on as we speed into the new year!

The BDC is Cortland County's principal economic development organization working for economic and community growth. Together, its programs, projects, and services aim to support existing businesses while promoting other job-creating opportunities across the county.



Garry L. VanGorder
Executive Director/CEO

Time and tide—and apparently Governor Andrew Cuomo—wait for no man.

At least that was the way it felt in early January when, still basking in the glow of a hard-earned \$500 million Upstate Revitalization Initiative success, we learned of the governor’s statewide economic development plans for 2016. Just weeks after the announcement, there was a new call to action.

At stake this time (pending state budget negotiations): \$750 million in Round VI Consolidated Funding Application resources and another \$100 million for a new downtown revitalization competition. The governor loves competitions, and while many still recoil at the notion of pitting regions—and now downtowns—against one another, it’s hard to complain about that approach in Central New York, which through its Regional Economic Development Council has brought home more dollars under the format than any of the other nine regions across New York.

As always, the CNY REDC will have a good plan to submit later this year. There is no reason to stray from what has proven to be a good formula for success—sound strategy, quality projects and strong, collaborative leadership.

Here in Cortland, where the state of our downtown is the focus of frequent and passionate debate, we will also work with our partners to devise a competitive plan for the Downtown Revitalization Initiative dollars. We’re also looking forward to assisting with other CFA-quality projects that may help grow the local economy.

Yet while we look forward to potential 2016 resources, we remain hard at work moving forward the projects funded just a few weeks ago. Those projects also have a distinct “City Center” flavor, with more than \$800,000 committed to a Clinton Avenue “Green Street Retrofit” leading to Main Street, \$1.1 million for McNeil Development’s \$7 million project to repurpose chronically vacant Main Street spaces that will be filled with employees from the burgeoning McNeil & Company, and another \$250,000 for a multimillion dollar project to redevelop the former corset factory on south Main Street for office space and senior housing.

Mix in an expansion at Cortland Plastics and you can see why we were so pleased with the results of the 2015 competition.

But it’s a new day. Onward ...

1987

Year Cindy Eberhart
joined the Cortland County
United Way

\$16.5 Million

United Way dollars
raised over that time

2016

First year of new
United Way
campaign model



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TCAD Leads Ag Study

Cortland County is a participant in a feasibility study to determine whether the development of a food processing incubation center would make sense for the region.

Conducted by the Tompkins County Area Development Foundation, the study would define the needs for such a facility and establish a conceptual strategy and framework for moving forward.

Consultants have already identified many food processing businesses working out of small production facilities and selling to niche markets. The belief is that an incubation program and production facilities would foster the growth of these young businesses so that they can scale-up: growing their production capacity, reaching larger markets, and benefiting the people and the economy of our rural region.

Cortland County is one of seven participating in the project.

Cuomo Signs IDA Bill

Governor Andrew Cuomo has signed into law legislation aiming to increase accountability and improve efficiencies and transparency of IDA operations across New York.

The new law will require, among other things, a standard incentive application form, a resolution specifying the criteria by which an IDA will evaluate projects; a standard project agreement; a recapture policy; and a policy by which the IDA annually assesses the progress of outstanding projects.

“We already adhere to most if not all of the provisions in the new law,” said IDA executive director Garry L. VanGorder. “At the same time, we’re taking a good, long look at our policies and procedures to be certain that we’re in full compliance.”

A just-completed state comptroller’s audit of Cortland County IDA lauded the agency for its approach to project management. (See page 6 for details.)

Small Business Tax Cuts

Governor Cuomo has proposed \$300 million in small-business tax cuts and a \$100 million fund to revitalize ailing downtowns in New York as part of his executive budget. Those proposals, among many, will be negotiated in the run-up to finalizing the 2016–2017 state budget.

“It’s a tax cut designed for small businesses—97 percent of the businesses in New York are small; 2.8 million New Yorkers work for small businesses,” Cuomo said during a visit to Rochester last month.

The proposal would expand small-business tax cuts that Cuomo first implemented in 2011 and impact more than 1 million businesses. The latest plan would save small businesses nearly \$298 million annually, he said.

For small businesses that file under the corporate tax code and have fewer than 100 employees with net income below \$390,000, Cuomo’s plan would reduce the net income tax rate from the current 6.5 percent to 4 percent. It would be effective Jan. 1, 2017.

Some business groups said the tax cuts would pale in comparison to the impact of a \$15-an-hour minimum wage, which would be phased in statewide until July 2021. The state legislature would have to approve the money in the state budget for the fiscal year that starts April 1.

For the downtowns, Cuomo proposed to invest \$100 million in ten communities for housing, economic development, transportation and community projects. The projects would be one for each of the ten regional councils.

Cortland leaders are discussing how to get involved in the downtown competition.



Bru 64, Cortland’s new coffee shop and pour house, adds to a new blend of Main Street business with its offerings of fresh-brewed coffee, craft beers, wine and much, much more! Stop by or read more about it at bru64.com.

success story

The Chicken and the Egg

Pasture-Raised Egg Producers Betsy and Bryan Babcock Launch an Organic Chicken Feed Mill in Cortland

Nestled in the scenic Catskill region of Upstate New York, Handsome Brook Farm is a 75-acre sustainable farm growing organic blueberries and producing organic eggs from pasture-raised hens.

Betsy and Bryan Babcock, founders and co-owners of Handsome Brook Farm, are dedicated to revitalizing the sustainable farming model, while protecting the environment and helping family farms become financially independent.

Over time, that vision has reached well beyond the Babcocks' homestead to include nearly 70 other independent farms—primarily run by Amish and Mennonites in the Finger Lakes Region—who also embrace the concept of pasture-raised chickens and organic eggs. That number is expected to grow to 200 by the end of 2016.

“Our eggs are the fastest growing pasture-raised brand in the nation, with 500 percent growth in 2014 and 300 percent in 2015,” Betsy Babcock says. “They are now sold in grocery stores in 46 states.” Handsome Brook Farm has been so successful, in fact, that *Inc. Magazine* named it among the top 500 fastest growing businesses in the country.

The Babcocks are always on the lookout for ways to control costs while maintaining superior product standards. Among the company's highest expenditures is poultry feed. They realized that by producing their own feed instead of buying from a wholesaler, they could save considerable money while having complete control over the content and quality of their feed.

The Babcocks put out feelers for a feed mill that might be for sale. Among their contacts was Keystone Mills, a large, non-organic animal feed producer with operations in Romulus, Moravia and elsewhere. “Keystone had a mill in Cortland that they thought



Betsy and Bryan Babcock are making their feed mill in the city of Cortland as self-contained as possible. Improvements to the former Round House Mill thus far include a new, \$250,000 stainless steel silo unit, pictured above, which stores whole kernel organic corn, grinds it, and moves it to the mill for final processing. “It’s a key component to maintaining the quality of our feed,” Bryan Babcock says.

might meet our needs,” Bryan Babcock says. “The mill looked good but was operating as a non-organic animal feed mill. It needed a lot of work to bring it up to organic standards.”

Conversion of the Cortland facility, called Round House Mill, would be time consuming and costly. But the investment could also be of major long-term benefit to the many farms producing eggs for the Handsome Brook Farm brand. Purchasing it was a decision the Babcocks could not take lightly.

“The health and welfare of our hens, the quality of our eggs, and the stewardship of our land is of utmost concern to us,” Betsy Babcock says. “We have grown largely through the blessing of

putting together a group of Amish farms that are deeply committed to sustainable practices and support and follow our strict pasture-raised standards. We all love our hens, and are committed to their welfare and the quality of the eggs that we serve our customers.”

That commitment was the deciding factor in the Babcocks’ decision to purchase Round House Mill. “As we became more and more involved in the egg business, we learned that the quality of feed is critical—for the health of the hens and for egg production,” Bryan Babcock says. “Producing our own feed would be a huge step forward for everyone involved.”

After purchasing Round House Mill in the fall of 2015, it took three months and \$700,000 of additional capital to bring the mill up to state standards. Existing equipment was cleaned and tested to ensure that all genetic grain residue and other contaminants were removed. Certified organic protocols for mill operation require stringent record keeping, staff training and additional systems so that all grain is protected from contamination. Five employees working under Keystone remained with the upgraded mill, which was renamed Handsome Brook Mill. The Babcocks expect to add at least three more within the next few months.

“Feed production began in December 2015,” Bryan Babcock says. “It is a blend of corn, soy, oats and alfalfa, plus minerals and supplements. We get 70 percent of our grain from Canada, 20 percent locally and 10 percent from Eastern Europe.

“We would like to buy more locally, but there isn’t that much organic corn available in New York,” he adds. “We get some of it from farms in Little Falls, Moravia and Romulus. Our hope is that an organic feed mill in Cortland will excite area farmers and encourage them to produce grain for us.”

“The health and welfare of our hens, the quality of our eggs, and the stewardship of our land are of utmost concern to us.”

***—Betsy Babcock, Co-Owner
Handsome Brook Farm***

“Our goal for Handsome Brook Farm is to produce the highest quality organic eggs from chickens that are raised and cared for humanely,” Bryan Babcock says. “Our mill in Cortland is an important, sustainable unit of our business, allowing us to control the quality of feed our chickens eat and provide that feed at a reasonable price to our family of contract farmers. We’re excited about what’s in store for the future.”



The main batch hopper inside the mill is used to mix the ingredients that make up the feed.

The Good Life

- Handsome Brook Farm hens gets at least 55 square feet of pasture per bird which, when rotated, is more than 108 feet per bird.
- Pastures are managed to insure excellent vegetation cover.
- Multiple barn doors are opened after lay periods in the morning and closed at night to ensure hen safety.
- Grazing areas are immediately outside the barn, so hens don't have to travel far to reach grass.
- Trees and manmade canopies provide at least five percent shaded areas.
- Fresh water is available outdoors and indoors.
- Living conditions are designed to encourage natural chicken behavior, such as foraging for insects and grasses, dust bathing, scratching and free movement.
- Ample perches, nesting boxes, readily available water and feed, and indoor substrate for dust bathing are provided.
- Indoor barn space is at least two square feet per hen.
- Forced molting (where food is taken away to increase production) is strictly prohibited.
- No antibiotics are used on hens.
- No hormones are fed to hens.
- There is no de-beaking (removing the end of chickens’ beaks to limit the damage they may inflict on one another in an overcrowded environment).
- Hens are visited multiple times a day by farmers, and handled gently and carefully. In fact, you will often hear the farmers singing to them.

State Comptroller's Audit Praises Cortland IDA

Cortland County IDA Payment in Lieu of Tax (PILOT) deals help keep and create jobs while adding to the tax bases of the communities for which they were approved, according to a just-released audit of the agency by the state comptroller's office.

Completed in January after months of intensive document review and interviews with the agency's staff and board, the audit praised the IDA for its organizational soundness, the transparency with which it operates, and the quality of the deals it assembles in its work to drive the local economy forward.

"As a result of their effective project management and monitoring, including verification of reported data, the board and CCIDA officials ensure that the community is receiving an appropriate return on its investment," the audit report stated. "Furthermore, they contribute to business growth within the county by encouraging project companies to develop or retain employment."

The audit looked at 11 active CCIDA projects and found that for each one the board had completed a comprehensive cost-benefit analysis to aid in its decisions to support them. The audit further reports that those IDA deals have been successful in increasing the long-term tax bases of the corresponding taxing municipalities, pointing out that in four of them, PILOT payments over the terms of the agreement would net those taxing entities \$377,000 more than the real property tax revenues would have been if no projects had occurred at those locations.

"As a result of their effective project management and monitoring, including verification of reported data, the board and CCIDA officials ensure that the community is receiving an appropriate return on its investment."

—State Comptroller's Audit Report

Auditors estimated that the improvement value of all 11 projects totals nearly \$12 million, which will increase the assessments on those properties—and correlating tax revenues—when the PILOT deals expire.

"We work hard to do good deals that benefit both the projects and the community, and we are very sensitive to doing things the right way," said CCIDA CEO Garry L. VanGorder. "Comptroller's audits are no fun, but I think it's clear that the intent is to make us all better. In our case, it's good to see top-level support for the way we go about our business."

The audit's focus was CCIDA's project management practices, with evaluations centering on the period between January 1, 2014 and June 30, 2015. A copy of the report is available at the Comptroller's website, www.osc.state.ny.us, or at the IDA's site, www.cortlandbusiness.com.

Businesses have access to numerous resources at the local, state, regional and federal level to help them succeed. In addition to Cortland County's Business Assistance Programs, here are other resources to help your business:

Cortland County Government

60 Central Avenue
Cortland, NY 13045
www.cortland-co.org

County Planning Department

37 Church Street
Cortland, NY 13045
www.cortland-co.org/Planning/index.html

Cortland County Health Department

60 Central Avenue
Cortland, NY 13045
cchd.cortland-co.org/

City of Cortland

25 Court Street
Cortland, NY 13045
www.cortland.org

Town of Cortlandville

3577 Terrace Road
Cortland, NY 13045
www.cortlandville.org

Town of Homer

31 N. Main Street
Homer, NY 13077
www.townofhomer.org

Village of Homer

Homer, NY 13077
www.homerny.org

For more resources visit us online at
cortlandbusiness.com/resources/



Central New York Lands \$500 Million in 5-year URI Grant



Governor Andrew Cuomo celebrates CNY's URI win in Syracuse with local leaders last month. Pictured, left to right: State Sen. John DeFrancisco, CNY REDC co-chair Rob Simpson, CNY REDC co-chair Kent Syverud, Governor Cuomo, Onondaga County Executive Joanie Mahoney, and State Assemblyman Bill Magnarelli.

Central New York's entry into Governor Andrew Cuomo's \$1.5 billion Upstate Revitalization Initiative competition was designed to match some unique regional assets with significant market opportunities as a pathway to job creation and capital investment.

The approach was rewarded in December when the region was named one of three \$500 million competition winners. The region will receive \$122.4 million for 93 projects in the first of a five-year award plan. Cortland County's share will total nearly \$3.8 million next year for projects it had identified.

"This was top-level competition and as tough as it gets, so obviously it's gratifying to know that our hard work was rewarded," said BDC executive director and REDC council member Garry VanGorder. "Cortland County and the entire region will reap short—and long-term—benefits."

The \$500 million URI plan identifies signature investments that would build a global center for unmanned aerial systems, build a major new indoor farm, build an inland port, develop a national veterans resource complex at Syracuse University, and advance work already underway to study municipal consolidation.

Cortland County was awarded \$3.8 million in support of projects including McNeil Development Company's proposed renovation of a number of its downtown buildings to support continued growth of McNeil & Company insurance operations in the district; an expansion at Cortland Plastics International; the redevelopment of the former Crescent Corset building on south Main Street; a Main Street traffic study; Main Street program façade redevelopment; and a Village of Homer microenterprise grant.

Other resources were pledged for the Village of Homer's Route 11 Corridor acquisition project; a "green" retrofit of Clinton Avenue in the City of Cortland; roof work at the city's fire department; and a culvert replacement in the Town of Lapeer.

The awards marked the fifth year of Governor Cuomo's economic development competitions. Cortland County and the entire region will reap short- and long-term benefits.

Cortland County projects have been awarded \$17 million over the same time period.



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United Way Hires New Executive Director

The United Way for Cortland County is already halfway through its campaign year, but new executive director Christella Yonta is determined to hit the fund-raising goal. “Achieving our goal is key to supporting the programs that are so important to so many people in Cortland County,” Yonta said, “and I am excited about the opportunity to make that possible.”

Yonta, who took over United Way operations January 25 with the retirement of long-time director Cindy Eberhart, has already served as a dedicated volunteer and advocate for the organization and should pick up where Eberhart left off, says United Way Board President Kristina Lambright. “We feel very confident that Christella’s experience, energy, and knowledge of our county make her an excellent choice to lead us forward.”

A key challenge under Yonta’s leadership will be the United Way’s effective transition from a traditional member agency funding model to a new “community impact” model, a programmatic shift she helped initiate. “Moving away from the traditional approach will allow us to become an active partner in solving community problems, rather than acting strictly as a fundraising organization,” Lambright said. “Instead of guaranteeing funding to member agencies, grants will be awarded based upon the impact a program is making in our community.”

Funding will target programs that are focused on the United Way’s vision of three outcomes for Cortland County residents: creating strong, healthy, and safe families; improving physical and mental health; and addressing immediate financial needs and promoting sustainable economic self-sufficiency.

Funding is still only available to United Way Member Agencies for the 2015 funding cycle. Next year, the process will be open to all 501c3 nonprofits administering health and human service programs in Cortland County.

Lambright cited Yonta’s work on the United Way allocations process as an important factor in her selection.

Yonta joined the United Way after serving as project coordinator for Seven Valleys Health Coalition, where she established and promoted the use of neighborhood trails, created community gardens, fostered safe and accessible transportation, and administered a five-county diabetes program. She has been a member of the United Way Board of Directors since 2010, and led the 2012 United Way fundraising efforts as campaign chair.

In addition to her volunteer work with United Way, she has served on boards and committees with CAPCO, Cornell Cooperative Extension, local schools, the Child Development Center and both the City and County of Cortland. Yonta has also been a key leader in Backpacks for Kids in Care, a project that has continued for many years since her graduation from Leadership Cortland.

Yonta lives in Cortland with her husband Tony and their two children.

To learn more about the United Way, donate to help United Way reach its 2016 goal, or participate in the upcoming Polar Bear Plunge, visit www.cortlandunitedway.org.



Photo: Roger William Thiese

Christella Yonta