

Cortland County Development Corporation, Cortland County Business Development Corporation *and* Industrial Development Agency

Annual Report 2018

How are we doing?

These numbers are great!

- * 3.6 percent unemployment rate is the lowest since at least 1990
- * 22,000 people working is highest October since 2016
- * 800 out of work is lowest of the year and lowest since 2000

But

The numbers are a bit skewed because...

- * The October labor force of 22,800 is also the lowest since 1990
- * That means people who could be looking for work are not, and as such can't be counted as unemployed
- * Who are they?
 - baby boomers and early retirees
 - students
 - folks with employment barriers
 - skills gap
 - the "unmotivated"

What's it Mean?

Job openings. Lots of job openings....

- * A good time to be looking for work
 - competition fierce for good workers
 - salaries and benefits on rise
- * Tougher times for employers
 - positions go wanting. Productivity suffers
 - bottom line impacts for those they do hire
 - retention a challenge...better deal hunting

Still, Upstate Suffers in the fight to create jobs

- * Horrific rankings on important economic measurements:
 - 48th worst business tax climate;
 - 48th for business friendliness;
 - 50th for tax climate

- * State gains jobs, but most are downstate:
 - Of 984,000 NYS jobs created between 2011 and 2018, just 184,400 were in upstate

Our Challenge?

- * Continue pushing our strategic advantages for business location and retention
- * Continue pressure for more vocational training
- * Push for better-coordinated and more expansive job training initiatives
- * Identify and strengthen strategic alliances for “best in show” practices
- * Continue to push through institutional roadblocks to growth and development (planning, regulatory)
- * Continue as a leading voice for community vision

2018 Program and Project Review

The Downtown Revitalization Initiative – a bold project to reinvent the Central Business District!

- * Final Projects Announced earlier this year
- * Planning for public and private projects ongoing
- * Centerpiece – Main Street Redevelopment
 - * RFP for engineering in process
 - * Construction to begin 2020
- * Some projects moving sooner
 - * Vine already complete
- * BDC taking the lead on a project marketing initiative

Crescent Commons Revitalization Project

The \$15 million Crescent Commons mixed-use rehabilitation project was completed in 2018. Incentivized in 2017 by the Cortland County Industrial Development Agency, the previously vacant and deteriorating 144,000 square-foot manufacturing building now features top commercial space for multiple agencies as well as 47 market rate loft-style apartment units. The project has significant impact on the availability of quality housing in the City of Cortland, and also stabilizes the south side neighborhood through significant capital investment, traffic flow, and residency.

Greek Peak Holdings, LLC

The CCIDA approved of sales tax exemptions for a \$9.2 million capital investment at Greek Peak in

August 2018. The resort's capital investment is part of an ongoing initiative to enhance the skier experience and drive more visits. Project components include trail snowmaking and infrastructure enhancements, the acquisition of two grooming machines, replacement of a dated chairlift, improvements at its water park, new base building lighting, expansion of the Taverna, upgrades at the reservation desk and replacement of certain furniture, fixtures, and equipment. The project, which is to be completed by December 31, 2019, pledges the retention of 80 full-time jobs over 5-year term of agreement.

Cortland Companies

The CCIDA in February 2018 supported a sales and mortgage tax incentive package for Cortland Commerce Development, LLC., for its proposed construction of a 35,000 square-foot facility for lease to Cortland Companies in the town of Cortlandville. Now complete, the building houses Cortland Companies' expanded medical device design and manufacturing business. The expansion means the retention of two jobs and the creation of 23 more over the first two years. Up to 28 additional well-paying positions could be created in years 3-5 of operation.

Dwayne Block Building, Homer

In 2018 the CCIDA provided sales and mortgage tax abatement to incentivize the mixed-use redevelopment of a building destroyed by fire several years earlier. The \$1.7 million project comprises construction of a three-story mixed-use structure at 23 South Main Street in the heart of the village's business district. The site had been little more than a hole in the ground and in the streetscape since post-fire cleanup. The first floor will accommodate one to two commercial operations while the second and third floors will be built out for market rate housing. The project's completion is scheduled for the first half of 2019.

Cortland Line Company

In March 2018 the CCIDA authorized an amendment to a grant agreement allowing Cortland Line Company until the end of 2018 to complete updates and modifications to its processes at its Cortland facilities. The project will make Cortland Line more competitive in the marketplace and therefore assist with employee retention and job creation.

Downtown Investment

Planning and design activities are underway for the reconstruction of Main Street and related projects in downtown Cortland as proposed under the city's \$10 million Downtown Revitalization Initiative grant. Actual construction for Main Street and many of the other projects is not expected until 2020. Other significant investment outside of the DRI continues in and near the downtown district. These improvements contributed greatly to the city's winning DRI application and also set the table for future economic progress in the city.

APEX

The former APEX manufacturing site on the city's east end was mothballed in 2017 after operations ceased there. The CCIDA has been notified that the former manufacturing facility has been sold to an out-of-town interest. No further details are available at this time.

BDC Revolving Loan Program

- * Well-capitalized
- * Well-advertised
- * 7 active loans
- * Participation has waned as interest rates fell
- * Other options as we move forward?

Small Business Consulting

- * Core service for aspiring entrepreneurs
- * Services offered by staff and Small Business Development Center
- * 37 SBDC visits to our office
- * Other inquiries handed by staff on a regular basis
 - * site selection
 - * grant inquiries (most frequent)
 - * referral services

Annual REDC Competition

- * CNY REDC has a history of excellence
- * \$615.5 million for 617 projects
- * Cortland County programs and projects awarded more than \$20 million over competition's first 7 years

IDA Projects

- * 14 active projects under PILOT or sales tax agreements
- * 13 of 14 meeting or exceeding job projections
- * 903 jobs created
- * Projects creating jobs, added to property values, tax collections
- * Agency in compliance with state statutes; rigid reporting and transparency guidelines

CCDC Projects

- * During 2018, the outstanding balance of bonds issued through the Cortland County Development Corporation to Cortland Regional Medical Practice were satisfied in full.

Other Initiatives Initiated and/or ongoing:

- * Park Outdoor Digital
- * County MAP
- * Solar PILOT
- * Homer Avenue Plaza/Christopher House
- * Route 11 Corridor
- * Buckbee Mears
- * NYS&W PILOT (\$138,895 in new negotiated payments)
- * BDC Marketing
- * New BDC Contract