

2009 Program Report

Cortland County Business Development Corporation
Industrial Development Agency

Garry L. VanGorder
Executive Director

Overview

Despite transitions in leadership and a serious national economic downturn, the Cortland County Business Development Corporation (BDC) and the Cortland County Industrial Development Agency (IDA) were active and productive in 2009. Provided here is an operational status report as well as a summary of our activities.

Operations

BDC/IDA Executive Director Tom Gillson left the position on sick leave in March 2009 and never returned to work. Karen Niday, the organization's Empire Zone Coordinator, program manager and CFO, served as interim director until Garry VanGorder, the former executive director of the Cortland County Chamber of Commerce, was hired to direct operations in September. Office manager Sandy Griep has been with the organization since 2002 and remains in integral part of the organization.

The staff is responsible for operations within the Business Development Corporation, the Industrial Development Agency, Contento Redevelopment LTD, the Cortland County Agricultural Local Development Corporation, and the Cortland County Local Development Corporation. All are separate, private, not-for-profit entities. The BDC, the IDA, and the affiliate organizations are considered public authorities under general municipal law and must comply with reporting requirements by state statute.

The IDA board comprises seven people appointed by the sitting chair of the county legislature. That group also sits on the board of the BDC, with six more members of that board elected by the members of the IDA. The BDC/IDA board chair is Michael McMahon.

The operations of the Business Development Corporation are funded through a multiyear contract with the Cortland County Legislature. The BDC staff is not compensated for its work at the IDA or the other affiliate organizations.

The Role of the BDC

The Cortland County Business Development Corporation is the county's principal economic development agency, working to retain and grow local business and to attract new employers. The BDC office is a "one-stop" resource for entrepreneurs, company owners/managers, and site selectors. The organization operates a revolving loan fund to service business and industry in Cortland County; administers the Empire Zone economic development program for the state of New York, a program comprising some 150 local certified businesses; works with a variety of state and federal partners to provide development incentives for growing and locating in Cortland County, and performs all necessary administrative services for the Cortland County Industrial Development Agency.

The Role of the IDA

The Industrial Development Agency complements the efforts of the BDC in offering low cost financing for real estate and equipment through industrial revenue bonds. The IDA can also negotiate with businesses for special payment in lieu of tax (PILOT) agreements, as well as mortgage tax exemptions and exemptions on sales tax for capital investment. The BDC staff performs all necessary administrative services for the Cortland County Industrial Development Agency.

2009 Statement of Activities

Finger Lakes East Business Park

Work to secure various approvals for the construction of the business park continued in 2009, culminating with a project bid opening scheduled for February 23, 2010. Construction will be split between two contracts; one for extension of water and sewer utilities along Route 13 at the front of the park, the second for construction of interior park infrastructure. Work is expected to be concluded by the end of the 2010 construction season. We have at least one interested tenant, which would expand into the park from its existing

Cortland location. Project cost is near \$4 million, funded with grants/loans secured by the IDA (federal EPA, state Economic Development Assistance Program, Appalachian Regional Commission, Town of Cortlandville, Cortland County).

Pyrotek, Inc.

The BDC staff has been working with the Canastota-based company on relocation to Cortland County since mid-summer. When the acquisition and move to Monarch Machine Tool Co. is complete this spring, 40 new well-paying jobs will be in place. Additionally, the company's plans call for hiring another 80 people within the next 36 months. Working with its many state partners, the BDC coordinated an incentive package that saved those jobs for Upstate New York and will mean the creation of many more in Cortland County. If not for the BDC's work, Pyrotek, a global concern, was headed to a southern state or out of the country.

The future of Monarch's operating company is uncertain at this time, but the BDC will work with management there as needed. Original plans had been to sell the company to an out-of-state competitor, but the company may decide to lease smaller space from Pyrotek or take occupancy in another Cortland County venue.

Broadband Initiatives

Work continues with a Central New York company to coordinate a broadband infrastructure project for Cortland County. Using a combination of stimulus funds and private financing, the project has significant implications for Cortland County residents and companies now widely underserved by today's fiber technology.

Agricultural Initiatives

The BDC was worked with many local partners in 2009 to boost the viability of local agriculture. The organization sponsors a yearly agriculture summit, and provided resources enabling the creation of a new farmers' market in the City of Cortland and prompting greater exposure for three other markets now operating across the county. The BDC will continue to focus on agriculture in 2010, dedicating staff time to program development.

Community Initiatives

The BDC joined with the Chamber of Commerce and other local organizations in supporting efforts relative to the New York Jets summer training camp at SUNY Cortland. The goal was to provide a positive, welcoming environment for Jets fans, many of whom had never before visited Upstate New York. The result was an unqualified success, with nearly 40,000 people visiting the camp generating an estimated \$4.26 million in local economic impact. The Jets are indicating a return to Cortland County in 2010.

The BDC/IDA also continues to support the efforts of the Cortland Downtown Partnership to spur development in the central business district. A current initiative is to acquire a dilapidated downtown building for redevelopment as a business incubator. The BDC/IDA executive director is a board member *ex officio* and a founding member of the organization.

The BDC/IDA also strongly supports the efforts and initiatives of the Cortland Regional Sports Council (CRSC), which in five years has brought more than \$10 million in tourism related dollars to the Cortland community. The BDC/IDA executive director is treasurer and a founding member of the CRSC.

Regional initiatives

The BDC and the IDA are members of the Essential New York Initiative, a 12-county consortium aiming to capitalize on regional strengths to collectively promote business development. Cortland County resides in the so-called “creative core,” with proximity to a host of major colleges, universities, and research institutions. That unique asset is critical to regional efforts to attract business.

Other Initiatives complete or in process (not a complete list. Some ongoing projects are confidential).

- Hope Lake Lodge and Mountain Resort (opened December 2009)
- Contento Property, Homer (site clean-up; soil monitoring continues)
- Rosen Site, City of Cortland (two potential occupants)
- Empire Management purchases the Riverside Plaza

- Marvin Windows relocation from Elm Street to Polkville corridor
- Petrella's Collision Center relocation to Luker Road
- Site selection submission for solar manufacturing company—made first list/rec'd a visit from site selector
- Introduced a renewal energy company to city and county officials for possible test site for tidal current energy product
- Submit proposal for Barden property to a renewable energy company that extracts oil from algea
- Submit proposal and receive a visit to Barden property from a company interested in manufacturing railroad ties from old tires. Company interested, but still has to complete testing of product and finalize financing before the project can move forward

IDA Rail Projects:

Bestdeck Rail Project : Multi Modal and IAP funding

Bestway Luker Road: IAP funding

Suit Kote Cortlandville: IAP and Multi Modal funding

Comprehensive planning sessions, contract paperwork, drawdown of funds, secure funds at risk

IDA PILOTS (Payment in Lieu of Tax) for local development projects

BDC/IDA staff provided technical support for the following major job creating projects in the Cortland County Community:

- Lady Jayne Hotels (New Holiday Inn) – 15 -20 new jobs, \$5 million investment
- Dave Yaman Properties (closing 2010) – job retention (Pall Corp), local retail, possible manufacturing, \$1 million investment
- Cortland Plastics – 35 new jobs, \$2.8 million investment
- Pyrotek (application in process) – 40 new jobs immediate, 110 total in 36 months, \$3 million

- IDA staff also provided staff and general contractor training for sales tax program under the PILOTS for the Clocktower Project, Hope Lake Resort and Lady Jayne Hotels
- Staff also responsible for new Public Authority reporting for PILOT projects

BDC/IDA Program Grants

Submit grant paperwork for:

- Heidelberg Farms – appropriation rec'd for \$80,000 – funding during 2010 (renewal energy project/solar/wind /educational series)
- Cortland Plastics – awarded \$69,000 from Environmental Svc Unit/NYS ESD—funding in 2010 (machinery and equipment recycling unit)
- Forkey Construction – awarded \$43,000 from NYSEG for 3 phase electric project to machine shop in Lapeer
- Gallery of Machines – awarded \$40,000 Senator Seward initiative for renovations to install new overhead crane
- Pyrotek, Inc – awarded \$350,000 NYS MAP Grant; \$350,000 Small Cities (OCR); Senator Seward \$50,000; CCBDC \$200,000. National Grid \$25,000 energy efficiency pending for 2010 award
- Cortland Beer—submit grant to the Creative Core new business contest. No monies awarded
- FLE Park—submit additional paperwork to grant submitted during 2008. \$250,000 (ARC) pending

Revolving Loan Program

- Cortland Line: assist in the submission of a loan application to the City Loan Committee (Approved but the company declined)
- Delta Investments: Loan application submitted and approved for \$35,000
- Crown City Stove Works: Loan application submitted and approved for \$50,000

- MD Deli: loan application submitted and approved for \$60,000
- JAG Court Reporting: Loan application submitted and approved for \$20,000

Current Portfolio:

- 12 loans—original loan amount \$580,705. Outstanding balance @ 1/31/10 \$362,361

Workshops:

- Turn Your Hobby Into Income
- Empire Zone Incentives
- Take the Mystery out of NYSERDA Programs

Newsletter:

- Prepared, published and distributed a color printed newsletter focusing on small businesses.
Featured companies: Marathon Boat, Forkey Construction, GSG Vincent Furniture and EL Wood Braiding

Website:

- www.cortlandbusiness.com is an ongoing resource for the business community and those wishing to learn more about Cortland County