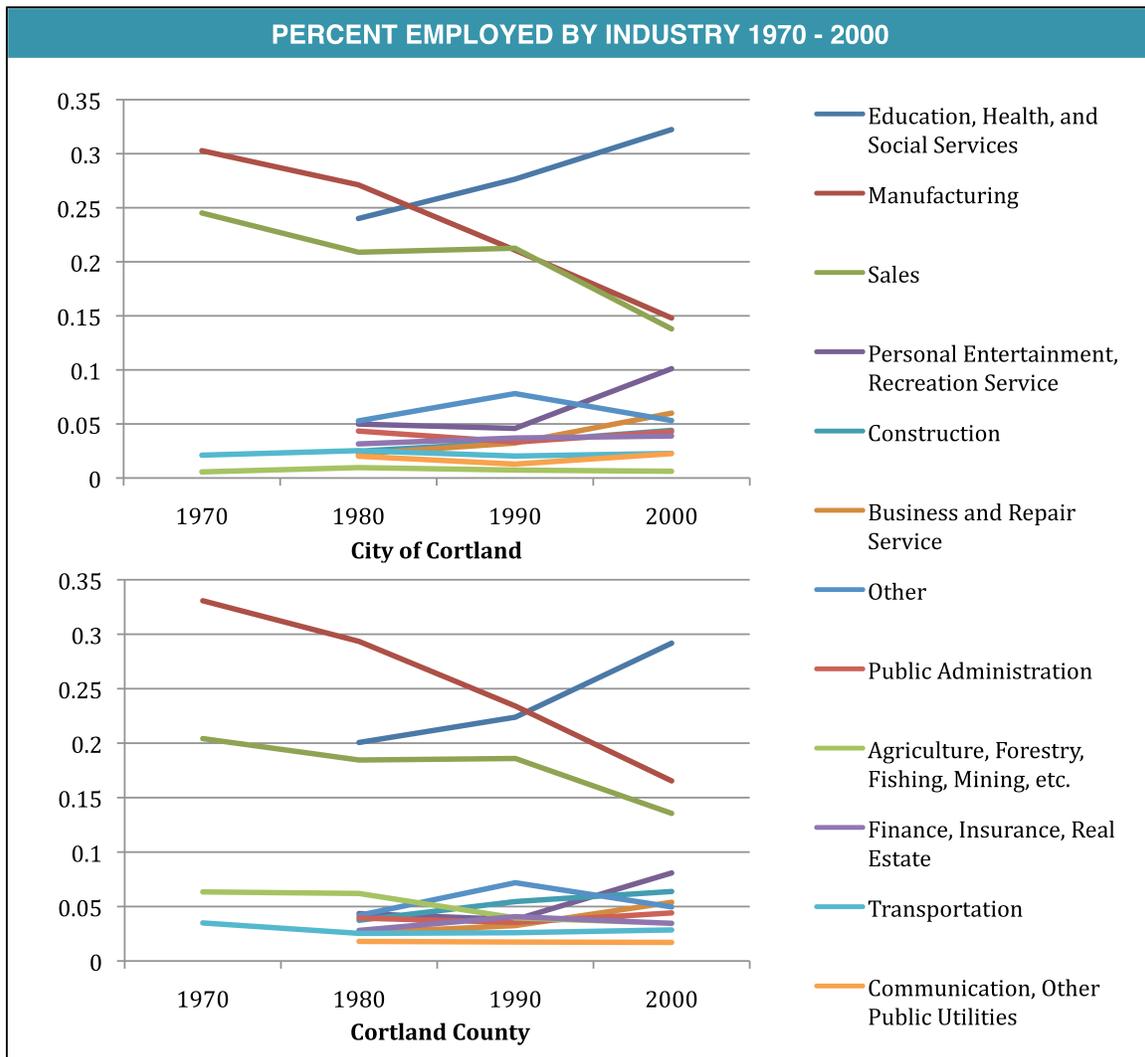


III. ECONOMIC DEVELOPMENT

As detailed previously, Cortland County, and the City of Cortland in particular, has been hard hit by the national shift away from a manufacturing-based economy. Once a center of commerce and manufacturing, many of the City’s largest private employers have left, and well paying jobs and a significant tax base have left with them. The City of Cortland, like many Upstate New York communities, is dealing with a declining population, declining job opportunities, and an increasing tax burden on those residents and workers that remain. Many of the issues facing the City today are directly tied to the migration of business outside of the City and the resultant decline in the socioeconomic status of its residents.



In order to counteract these economic circumstances and rebuild and reinvent the City's economy, it is imperative that a strong and focused economic development program is in place. Currently, the City does not have an economic development department or staffing. The City's Office of Community Development, which has been staffed by Thoma Development Consultants (Thoma) since 1980, provides some economic development functions, such as management of the City's Business Loan Program. The City partners with the Cortland County Business Development Corporation (BDC), which is the economic development agency for Cortland County, to meet its economic development needs. The BDC is funded by Cortland County from sales tax revenues and is responsible for promoting economic development throughout the County, including the City. Thoma and/or the BDC have worked on behalf of the City to develop City-based economic development projects, such as Build-Now NY designation for Noss Park, and incentive packages to help Cortland Plastics and Cayuga Press locate in the City, to name a few.



Cortland Plastics was established in the City's Noss Park in early 2007 due to the combined efforts of the City and the Cortland County Business Development Corporation. They are currently expanding their City facility, which will create new jobs and tax base.

For much of the past fifty years, the typical economic development model for the City and County was to pursue large companies, often manufacturing, to locate in their community. Such businesses would likely build a new building on a greenfield. This model no longer works for the City of Cortland. As noted below, the City is built out. Future development in the City will have to occur in older buildings and on previously developed sites. Furthermore, traditional manufacturing is dwindling, particularly in Upstate New York. The City, through the BDC, must develop an economic model based upon these existing conditions and realities, and in consideration of the City's current assets. These assets include utilities in place that have excess capacity, a developed roadway and transportation system, land that may be valued much less than greenfields outside the City, a quality work force that can walk to work, nearness to major transportation routes and markets, and older buildings that qualify for development tax credits. While these assets may seem obvious to community leaders, they may not be as obvious to outside developers and businesses.

The City's economic development program needs to include lower taxes and fees for entities creating jobs and wealth in the community. In return for these incentives, the City must also require entities to refund incentives if promises are not kept. The City must work with the BDC to ensure their economic development program is not just focused on greenfields outside the City, but on City's assets as well, including the pursuit of non-traditional economic development opportunities. The BDC must promote the City's assets and work with new and existing businesses that can benefit from the lower cost of development and doing business in the City.



Some of the economic development issues facing the City, and available economic opportunities, are detailed below.

COMPLETE BUILD-OUT and BROWNFIELD REDEVELOPMENT

As mentioned, after 150 years of industrial development, the City of Cortland has reached near total build-out in terms of land available for development. Complete build-out for a community means that there are no undeveloped lands for new construction, typically known as “greenfields”. Cortland has no greenfields. The only land available for development is classified as “brownfields”, which are formerly developed properties that may or may not be subject to pollution or contamination from previous uses. This hinders the ability of the City to attract new industry, and limits the ability of existing businesses to expand. In recent years, the City has seen businesses move to greenfields in the Town of Cortlandville when needing to expand, such as Marvin Windows and Essex Steel.

Despite the lack of green fields, the City has brown field sites that may provide an opportunity for new or expanding businesses, but many have real or perceived environmental contamination issues. These include the Noss Technology Park, and the Buckbee-Meers Corporation (BMC) site, abandoned in 2005 and currently undergoing environmental clean-up. These are detailed below:

Noss Technology Park - The Noss Park area is designated as a NYS shovel ready site. It stretches from South Main Street east to South Pendleton Street near the City’s South End. The 19 acre Rosen Site, part of the Noss Park site, is a former US EPA Superfund site. The site has been remediated and is now ready for development. The City controls over 24 acres of the 30 acres of land in Noss Park. A BuildNow New York study of the area, including environmental investigations, was recently completed.

The BuildNow NY study determined that the marketing of the site should focus on attracting “green technology businesses”. Currently SUNY Cortland is developing a Master Level program that will graduate students in such technology as solar and geothermal energy. It is hoped that the City can take advantage of this opportunity by partnering with the College regarding educational outreach and by providing hands-on experience for students. The reuse of a brownfield site into a home for green technology will provide a model for all of Upstate New York.





The Noss Technology Park is located on the site of the former Wickwire factory complex. It is a New York State BuildNow NY site and is currently being marketed by the City for new development. Noss Park is an excellent example of brownfield reuse and redevelopment that the City should pursue for other former industrial sites.

Buckbee Mears Corporation – The former Buckbee Mears Corporation (BMC) property, as well as other sites along nearby Kellogg Road are also available for redevelopment. In 2004, BMC, which had filed for bankruptcy, sold all of its assets to International Electron Devices (IED). IED temporarily resumed operations at the 969,000 square foot facility, but soon after closed the plant and abandoned the property. It did not properly mothball the structures and left the buildings and site full of contaminated materials. The U.S. Environmental Protection Agency (EPA) subsequently stepped in and remediated two buildings and a portion of the site. However, the site is not yet ready for development.

With the number of businesses in the City declining, more businesses are needed to bolster the local economy. Both large and small businesses are needed to provide wealth, jobs, pay taxes, and provide goods and services. Even without available green fields, there are many



other sites and buildings for new businesses to locate within the City at a cost likely to be far below developing green fields. The City needs to work to develop a current inventory of sites and buildings that can be offered to businesses interested in locating or expanding in the City. Water and sewer, utilities and roads already serve these sites so business development in the City will be less costly than new construction on green fields. Some sites may contain contamination, but working with the NYS Department of Environmental Conservation and the US Environmental Protection Agency (EPA), site contamination can be identified and remediated if required.

EXISTING BUSINESSES

Primary or Contributing Businesses - Since the City has reached near total build-out, it is imperative that the City's existing *primary or contributing* businesses are healthy and satisfied with the City's business climate. A primary or contributing business is one that causes money to enter the local economy, as opposed to a *consumptive* business is one that takes money from the local economy. Primary businesses are healthy and satisfied when their operating costs are low, they can hire a quality workforce, and capital is available locally to meet their business needs. It is important that the leadership of the City's primary businesses have a means to communicate their current status and future needs to the City and other agencies responsible for economic development at the local and State level, so that all can work together to ensure their continued success in the City.

Small Business – In December 2009, the New York State Task Force on Small Business issued a report with recommendations. The report identified specific barriers to small business growth, which included the costs of doing business in New York, the difficulty accessing financial capital, including operating and start up capital, and the availability of technical assistance.

Thirty years ago, the City of Cortland was home to many small, neighborhood businesses that provided goods and services to the residents of those neighborhoods. As larger businesses, such as supermarkets, located to sites outside of the City and regional malls and shopping centers proliferated, many neighborhood-based businesses closed. City residents, however, still need those goods and services. As the City's population ages, the importance of providing goods and services in close proximity to residences grows. Smaller businesses are vital to the City's economy, whether located in the downtown or in the neighborhoods. Successful small businesses, whether existing or startup, need access to both capital and training.



DOWNTOWN



The downtown, or Central Business District (CDB), includes the greatest concentration of businesses in the City. These range from small homegrown businesses to large corporations. Taken as a whole, the downtown is likely one of the largest employers in the City. Oftentimes, a community focuses its economic development efforts on attracting new manufacturing facilities which employ large numbers. The reality is that the vast majority of new jobs created in the country are created by small businesses like those found in the downtown. The downtown should be looked at as a major source of jobs and wealth development

in the community, and building a strong downtown economy should be a primary focus of City economic development efforts. The City must be cognizant of the fact that economic development in a downtown takes a very different approach than typical economic development efforts, and may include measures that, historically, may not have been considered economic development such as façade renovations or community events. Specific actions to revitalize the downtown are detailed in Section V. *Downtown*.

TOURISM

The City of Cortland has a well-established hospitality industry consisting of six flagged and at least three independent motels/hotels, numerous eateries and taverns, and several small museums, in addition to similar facilities elsewhere in the County. This is bolstered by the presence of SUNY Cortland and the many sports and events it hosts. The City's proximity to Interstate 81, a number of golf courses, and the nearby Finger Lakes further strengthens the local travel tourism market. Three nearby ski areas help generate visitor traffic during the winter months. The largest of these is Greek Peak. A new hotel and water park, Hope Lake Lodge, recently constructed at Greek Peak, will attract additional year-round visitors. In addition, the City hosts a number of seasonal festivals, fairs, and musical events that attract visitors to the community, such as the Pumpkin Festival, Chill-a-bration, Arts and Wine Festival, and the Main Street Music Series, to name a few.

In 2009 SUNY Cortland was chosen as the pre-season training site for the New York Jets professional football team. Based on the success of the first year, the team has subsequently signed a five-year agreement to continue training in Cortland. A 2009 study completed by three SUNY Cortland professors, Dr. Kathleen Burke, Dr. Wendy Miller, and Timothy Phillips, identified over four million dollars of economic impact generated in the area due to the Jets 2009 training camp. Perhaps more important than the actual economic impact



of the training camp, however, is the positive impact hosting the Jets has had on Cortland's image.

This economic impact of the Jets training camp is testament to the economic benefit, and the great potential, the travel and tourism industry provides. According to the Cortland County Convention and Visitor Bureau, tourism is responsible for \$41,000,000 of spending in our local economy. There are nearly 1,000 persons employed in the industry with \$14M in payroll. The industry generates approximately \$350,000 per year in occupancy taxes. Approximately \$150,000 is used to run the Bureau, with the balance re-granted to other community organizations to support and grow the tourism industry.

In order to continue to benefit from increased tourism traffic, the City must encourage the expansion of visitor services such as hotel accommodations, restaurants, cultural venues, and retail shopping, and must leverage existing events to ensure that the maximum impact is attained. For example, there are currently no Bed and Breakfast or Inn style accommodations (other than the Cortland Alumni House) anywhere in the City and only a few outside the City. This could be an excellent reuse for some of the City's larger



older homes which can be difficult to maintain as a single family home, and would also fill a niche in the local accommodations market. Most hotels constructed in recent years have been located near the outskirts of the City in close proximity to I-81 or other major highways. No new hotel rooms have been constructed in the City center in a number of decades and attracting a hotel to the downtown would draw travelers into the City and support local businesses.

In summary, the City's economic development efforts need to take into account the significant impact, and significant potential, that the travel and tourism market has in the community.

GOALS AND IMPLEMENTATION MEASURES

GOAL 9: Retain/expand existing businesses in the City

IMPLEMENTATION MEASURES:

- A) Encourage the retention/expansion of businesses that provide neighborhood goods and services while maintaining neighborhood character.
- B) Encourage the expansion of businesses that serve visitors to the City.



- C) Use the City of Cortland Community Development Loan fund to assist in retaining/expanding job opportunities in the City. Develop marketing tools to increase awareness of the fund.
- D) Secure additional capital for the City of Cortland Community Development Loan fund.
- E) Reduce the cost of doing business in the City by controlling the cost of water, sewer, property taxes, and City services.
- F) Work with the Cortland County BDC to implement an ongoing communication program with contributory businesses in the City to assist in problem solving.
- G) Work with the BDC, local colleges, Department of Labor, Career Works Center, local schools and other training providers to ensure that there is an adequate workforce for City businesses.

GOAL 10: Increase the number of businesses in the City

IMPLEMENTATION MEASURES:

- A) Work with the Cortland County BDC to provide technical assistance for start up businesses including programs to train and place employees.
- B) Work with the Cortland County BDC to recruit businesses to the City that will provide well paying job opportunities with adequate benefits.
- C) Make Noss Park an asset by using the information generated from Build Now-NY to promote industrial/commercial expansion and secure funds to complete the environmental remediation of the City-owned five-acre site in Noss Park.
- D) Fund a City-wide Microenterprise Program using CDBG funds to assist both new and existing businesses with funding and training.
- E) Inventory vacant land/space suitable for business expansion to encourage the redevelopment of vacant and/or underutilized buildings as an alternative to development of greenfields. Reuse existing commercial property before converting residential or open space wherever possible.
- F) Identify the existing skill sets of the City workforce, and attract new business opportunities that match those skill sets.
- G) Diversify and strengthen the local economy by attracting “green” businesses, businesses with ties to regional colleges and universities, and other emerging business sectors.

