

**STEBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2015**

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**Factors Bearing on the Future of the Agency**

2015 presented new opportunities and challenges for Steuben County which the Agency will be undertaking in the coming year. Opportunities in the form of new investment in communities like Hornell, Corning, Addison, and Urbana will help sustain these local economies for years to come. Unfortunately this economic growth is overshadowed by the announcement by Kraft/Heinz in late 2015 to close the Campbell manufacturing facility within two years. The closure of this facility will dislocate nearly 400 employees.

During the year the Agency provided direct assistance to five projects with leveraged \$10.25 million in new private sector investment creating 36 direct jobs and hundreds of induced jobs in the community. In addition, staff at the Agency assisted six projects with accessing funding through the STREDC regional loan programs designed to induce downtown development and projects that support the regions agriculture base.

As the Steuben County representative on the Southern Tier Regional Economic Development Council, the Agency was actively engaged in developing the URI proposal to the State in 2015. The proposal included several initiatives, which if funded, could help foster economic growth in Steuben County including investments into advanced manufacturing, agriculture, and the development of innovative communities. In December the Governor selected the region as one of three URI winners each receiving \$500 million over the next five years to develop transformational projects throughout the region.

As a result, the Agency is working to advance six specific projects through the Regional Council and URI process totaling \$8.7 million and leveraging \$31.8 million in new investment. The largest of these was the redevelopment of the former Corning Hospital site which will leverage \$18 million in new private development to support the construction of a multi-use development. This development will feature urban living, commercial and educational opportunities in the healthcare field. We also worked with our partners in Hornell to help develop and advance a proposal through the URI to support a training center for high speed rail in Hornell. This \$30 million initiative will help grow and support the transit industry in the western portion of the County.

In 2015, the Agency also completed two major planning initiatives that will drive investments in Steuben County for years to come. The Keuka Lake Waterfront Redevelopment Plan and the Steuben County Agriculture Economics Development Projects Feasibility Study assessed two major economic drivers in the County and developed action plans to advance the development of value added agriculture and tourism development at the southern end of Keuka Lake.

As the organization looks to advance these efforts in 2016 it will remain vigilant to the pressures of a global economy and make sure to create a local environment to support continued growth at companies such as Corning Incorporated and the newly acquired Dresser Rand which is now owned by Siemens. In addition, the Agency will work to ensure that Kraft/Heinz lives up to their commitment to this community to ensure we work to find a new operator at the Campbell plant to secure the jobs being impacted by this decision.

The Agency anticipates the following in 2016:

- Retaining manufacturing operations at the Kraft/Heinz facility in Campbell
- Completion of the environmental cleanup at the Phillips facility in Bath
- Participate with the regional council to implement the strategies outlined in the Upstate Revitalization Fund.
- The beginning of demolition and redevelopment of the Corning Hospital and the construction of the Corning Community College Health and Wellness complex.
- Beginning of the redevelopment of Champlain Beach and the redevelopment of the Champlain Beach Pier in the Town of Urbana.
- The development of a Food Enterprise Center in the Bath area.
- Expansion of the rail industry and supply chain businesses in the Hornell market.
- Continued development of wind energy projects in western Steuben County.
- Expansion of the Agencies business retention and expansion efforts for small and medium businesses.

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**Contacting the Agency's Financial Management**

This financial report is written to provide citizens, taxpayers, customers, investors and creditors with a general overview of the finances of the Agency and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

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