



memo

To: Board of Directors
From: James C. Johnson
CC: Stacy Housworth, Jill Staats
Date: 05/05/2021
Re: 2021 Performance Report

Based on the 2021 PARIS reports, the Steuben County IDA had 59 active projects for the year. Out of these projects, six were new.

The active projects spent \$188,766,820 in new private sector investment during the year, representing a \$96,267,129 increase over the previous year. IDA projects also generated \$10.7 million in PILOT revenue, which was a \$300,000 increase from 2020. These funds are distributed to municipalities and school districts throughout the County. (full list of distribution amounts is attached)

In addition, active IDA projects supported 6,719 jobs accounting for \$926,192,823 in payroll. Between 2020/21 there was an increase of 189 jobs for the year, but employment continued to remain under pre-pandemic levels by 418 positions (2019). Overall, 2021 employment resulted in a total of 1,685 net new jobs since the start of all active projects. Based on the total numbers of jobs to be created by IDA projects at time of application (3,334), this year's employment totals are 1,649 employees short of what had been committed. While this is a significant shortfall, the two Corning Incorporated Photonics projects make up the entire amount. These two projects committed 2,000 new jobs but have fell short of the projection by 1,715 jobs. PILOT benefits for both of these projects expire in 2022 and will be removed from next year's totals. If you removed these projects from this year's numbers, then IDA projects would have exceeded the original job commitments by 66 individuals for the reporting year.

The IDA provided \$11,960,656 in total benefits to projects in 2021. When compared to total payroll and total investment (\$1,114,959,644/\$11,960,656), this results in a CBA of 93:1 which does not account for secondary or induced economic benefit in the community.

During the 2021 reporting year, there were 20 projects reported in the PARIS system as not having reached or maintained job numbers from the original commitments made at time of application.

Of those, six projects are within their three-year operating window to create the projected jobs:

First Heritage FCU

Marzo Brown

Empire Telephone

Automated Cells and Equipment Acquisition

2-4 West Market Street LLC

Clark Specialty

In addition, one project is being terminated in the system as it as not advanced as planned:

Red Lilac Properties Phase II

The remaining 13 projects did fail to maintain/meet job creation. Staff contacted each individual project to determine the cause. The responses and staff recommendations to the board are outlined below.

The Gunlocke Company – Staff contacted the company and confirmed that COVID-19 heavily impacted the office furniture industry and the Gunlocke facility made decisions to cut jobs to meet organizational commitments. They continue to battle back daily by pursuing new opportunities, whether it be new product or processes. They have insourced chair frames from a supplier and brought in product to the facility from their Iowa locations, both directly resulting in headcount growth. They are anticipating more sales volume and job recovery throughout 2022.

Staff recommends a one-year waiver on the performance goals.

Wykoff Gas Storage – The project committed to 6 jobs which they had reached in 2013 but, as with previous years since, the company only reported 5 employees for this reporting period. The company confirmed that a depressed energy market continues to make the economics of the project challenging and has forced necessary staffing cuts resulting in the inability for the project to maintain its original job commitments. The company is hopeful that changes with the recent trend in commodity pricing and demand will allow the company to reach its originally committed levels once again.

Staff recommends a one-year waiver on the performance goals.

Pulteney Plaza – The project had committed to create 80 jobs and this year reported 45 employees, a decrease of 26 from 2020 and 35 from the original goal. Staff reached out to the plaza owner who confirmed that the major tenant, Tops Supermarket, is struggling to find talent in the current market and continues efforts to add additional people. The owner did confirm that the other tenants combined to have an additional 23 full time staff and 7 part time staff which would bring the project to last year’s levels but still below the target. Unfortunately, the other tenants have not provided employment verification so these employees cannot be counted in the state reporting.

It should be noted that the plaza is in the process of being sold to a larger retail developer that is planning on attracting additional tenants to the plaza to help with the job totals.

Staff recommends a one-year waiver on the performance goals to allow Tops time to fill vacant positions and assess the impacts of the new ownership.

Corning War Memorial Apartments – As in years past, the owner reported he has contracted for services instead of hiring direct employees. During the reporting period, the project had 16 contractual relationships with local vendors which support local jobs.

Staff recommendation is to take no further action due to the impacts of the local contract employees.

Fitzpatrick Holdings – Hilton Garden Inn – There were two factors affecting the ability to reach 40 employees - Covid and the difficulty finding people. The ESD employee report showed that as Covid eased in the Spring and Summer, employment increased to 35 FTEs (made up of 20 FT & 24 PT) in the third quarter. With the Omicron variant, employment tailed off again in the fourth quarter. Through this period the hotel was typically short staffed and needed more employees but couldn’t find them.

Now that COVID has eased, the project management team expects to need more people throughout the year and hopefully will hit 40 employees.

Staff recommends a one-year waiver on the performance goals.

Corning Photonics and Photonics Exp. – This business unit was sold several years ago and has failed to reach job goals since that time. The space has been used for other businesses over the years however currently remains vacant while Corning assesses its facility needs and potential tenants.

This will be the last year of the incentive and the projects will be removed from the report going forward.

NYSEG Corning Valley – This project ultimately was supported to provide employment opportunities through Corning, Inc. investment and the associated job commitments are met through Corning, Inc.

Corning Children’s Center – The project had committed to retain 46 employees but has only maintained 43. The company reported that the decrease was a result of operational changes to the infant care program. The center has started to change to a continuity care process and, while making these changes, they had staff leave but as of January 2022 the project returned to full staffing of 46 employees.

Staff recommends no further action

CMoG Renovation – Due to COVID the project experienced a 72% decline in attendance resulting in a 51% decline in earned revenue in 2020. This resulted in a staff reduction. The museum is seeing gains in its individual and family business but does not expect its international motorcoach business to recover for at least a few more years. The intent is to increase staffing levels as business returns to normal.

Staff recommends a one-year waiver on the performance goals

CPMCO C Building Renovation – Corning had a goal of retaining 300 employees in the building. The project remains under construction as the staff were temporarily reassigned to other locations or work from home. The company expects construction to be completed this year at which point staff will begin to return to the location.

Staff recommends a one-year waiver on the performance goals

B&D Realty (Dansville Dental) - Staff followed up and found that in addition to the 11 individuals reported, the three owners are also employed at the practice on a part time basis equating for one additional FTE bringing the total to 12. They also are in the process of hiring additional staff which should bring their total to the reported 13 required.

It should be noted that there is a discrepancy that was found in the application materials and the closing documents which stated that the project would only be required to create 9 jobs and not the 13 in the application.

Staff recommends a one-year waiver on the performance goals.

Riedman Purcell CH II LLC –The project has confirmed that through the year they did fulfill the job commitment of three LLC however at the time of reporting there was an open position which they have struggled to keep filled. The position is advertised, and they plan on having it filled in 2022.

Staff recommends a one-year waiver on the performance goals

Finally, T&K Realty and the B&H Railroad were originally reported as below their employment goals however upon further investigation it was found that those numbers were in error. The necessary information was submitted and the PARIS system was updated to reflect the new numbers bringing both projects into compliance.

PILOT Distribution by Municipality

Steuben County	\$ 2,137,385.01
Town of Avoca	\$ 271.98
Town of Bath	\$ 116,776.39
Town of Campbell	\$ 65,793.79
Town of Cameron	\$ 36,361.06
Town of Canisteo	\$ 22,729.95
Town of Cohocton	\$ 156,289.96
Town of Corning	\$ 57,665.91
Town of Erwin	\$ 501,509.53
Town of Greenwood	\$ 59,977.45
Town of Hornellsville	\$ 17,060.28
Town of Howard	\$ 282,171.36
Town of Jasper	\$ 89,857.64
Town of Lindley	\$ 969.42
Town of Prattsburg	\$ 419.74
Town of Urbana	\$ 6,111.35
Town of Troupsburg	\$ 4,321.88
Town of Wayland	\$ 76,891.42
City of Corning	\$ 798,401.03
Village of Bath	\$ 325.32
Village of Painted Post	\$ 5,692.15
Village of Riverside	\$ 5,984.38
Village of Savona	\$ 677.46
Addison School	\$ 330,639.13
Avoca School	\$ 11,669.19
Bath School	\$ 427,817.75
Campbell-Savona School	\$ 276,374.62
Canisteo-GW School	\$ 346,547.74
Corning-PP School	\$ 3,957,550.84
Hammondsport School	\$ 10,525.66
Hornell School	\$ 77,794.78
J-T School	\$ 233,553.34
Naples School	\$ 20,604.65
Prattsburg School	\$ 763.69
Way-Co School	\$ 572,824.65
	\$ 10,710,310.50