



memo

To: Board of Directors
From: James C. Johnson
CC: Matt Bull, Jill Staats
Date: April 19, 2024
Re: 2023 Performance Report

Based on an initial overview of the 2023 PARIS reports, Steuben County Ida had 57 active projects for the year, a decrease of one from the prior year. However, 5 projects were removed from the report as a result of the benefits expiring.

During the 2023 reporting period, IDA projects totaled \$98,445,786.79 in new private sector investment, representing a \$643,414,602 decrease over the previous year. While this seems like a large drop in investment, four wind projects represented \$640 million of the 2022 investment totals.

Active IDA projects in 2023 supported 5,705 creating 999 jobs over the life of all active projects representing \$790,346,975 in payroll. The total job performance against projections is 46 positions below the original project commitments. In 2023, twenty-three companies reported fewer jobs than the prior year and 18 had either failed to maintain or never reached their original job commitments. Of this total, three companies are within the three-year window provided to create their committed jobs, representing a total of 38 positions yet to be created.

These projects included:

- LP Building Solutions
- Northside Place
- Finger Lakes Enviro Tech

The remaining 15 projects sponsors were contacted to determine why they have not met/maintained their employment commitments and what was being done to reach the original employment goals. The responses and staff recommendations are outlined below.

2-4 Market Street – In correspondence dated 4/15 the company confirmed that they have experienced a slower than anticipated return to market from COVID. They attribute this to inflationary costs and a depressed economy in the Corning market. In addition, they struggled to find employees because of their policy of non-tipping. While they paid staff better than a traditional restaurant in this market, they found this was hurting their hiring efforts and have transitioned to a more typical employment model of part-time and lower wages with tips. This has helped staffing but the project continues to struggle in the economy. As a result, they are adjusting their approach in hopes of improving the business outcomes.

Staff Recommendation – Continue to monitor the situation and reassess employment totals in one year.

Automated Cells and Equipment – In correspondence with the company, officials confirmed they experienced a couple of terminations due to breach of employee handbook and a few employees also left towards the end of the year all of which had not been filled at the time of the reporting. The company is fully committed to growing the operations in Steuben County and for 2023, they had a total of \$24.8M of value that was attributed to the project location. During the 1st quarter of 2024 they had already booked \$25M with only 6 months scheduled for the year.

Staff Recommendation – The project had previously reached its employment goals. Staff recommends continued monitoring and reassess employment totals in one year.

B&H Railroad – Staff followed up and found the project failed to report employees from the Lakeville Railroad who are dedicated to this project. With these jobs included, employment increased to eight as of the end of the reporting period with one open position which has since been filled allowing the project to meet its employment goal.

Staff Recommendation – With the updated numbers it is recommended that no further action be taken.

Clark Specialty - The company's owner struggled with health issues through 2023 and ended up passing. Because of this the focus on business growth did not occur resulting in no job growth. In addition, shortly after reporting the company experienced a devastating fire which it is working to recover from.

Staff Recommendation – Continue to monitor the situation and reassess employment totals in one year.

CPP I – Staff spoke to project representatives and the project is below its job thresholds due to a contracted maintenance contract with the turbine vendors who now maintain the project. The project has reported those jobs which allow the project to reach their goals but the vendor will not supply the necessary employment documentation so those jobs cannot be reported.

Staff Recommendation – Because the jobs exist but cannot be counted in the State system the recommendation is to continue to monitor the situation and take no further action.

Corning Integrated Die – Staff are in regular contact with the company which is experiencing a significant economic downturn. In January, the company announced a 2.5% staffing reduction across all facilities, which was followed up in March by another announcement of over 200 professional positions throughout the system. These actions were taken to secure the financial position of the organization in preparation for future growth however impacted jobs at the project location.

Staff Recommendation – The project had previously reached its employment goals. Staff recommends continued monitoring and reassess employment totals in one year.

CMOG – The company continues to recover from the impacts of COVID reductions which resulted from lower museum visitor ship. In addition, project employment has been impacted by financial struggles within Corning Incorporated who had traditionally provided staffing support which was ended in 2023. The museum continues to work through these challenges and expects to open a new glass studio in 2024 which will result in increased employment and bring the project back in compliance.

Staff Recommendation – The project had previously reached its employment goals. Staff recommends continued monitoring and reassess employment totals in one year.

Corning Consolidated – Staff are in regular contact with the company which is experiencing a significant economic downturn. In January, the company announced a 2.5% staffing reduction across all facilities, which was followed up in March by another announcement of over 200 professional positions throughout the system. These actions were taken to secure the financial position of the organization in preparation for future growth however impacted jobs at the project location.

Staff Recommendation – The project had previously reached its employment goals. Staff recommends continued monitoring and reassess employment totals in one year.

Corning War Memorial – As in years past, this project included with the performance report a list of local third-party services that are utilized to manage the project. When including these services in the job count, the employment impact exceeds the original job commitments.

Staff Recommendation – Accept local third-party services toward job commitments.

Hilton Garden Inn - The hotel continues to make strides toward meeting its employment goals by increasing total employment in 2023 by 6 bringing them within three of their commitment. The company confirmed that the project continues to be challenged by high turnover which hinders their ability to meet the committed job numbers. Because they are constantly seeking to replace individuals, they cannot focus on growth but are continuing to work toward full employment.

Staff Recommendation – Because of the labor market challenges staff recommendation is to take no action and continue to annually monitor employment.

Marzo Brown – The project continues to work toward its job goals by adding 3 additional staff in 2023. The project did confirm that they continue to struggle to attract a second dentist to the office which has delayed hiring additional support staff.

Staff Recommendation – Continue to monitor the situation and reassess employment totals in one year.

NYSEG Erwin Valley - This project is an infrastructure project to support growth in other manufacturers in the Erwin area. The resulting job growth has occurred but as part of outside business growth utilizing this investment.

Staff Recommendation – No further action

Pulteney Plaza – In 2023 the board of directors denied a request to reduce job commitments to 40 and the project continues to run 38 below the original commitment of 80 due to the fact that the original employment goals anticipated a 24-hour grocery store which never happened. With current market conditions the project does not anticipate this to occur and as a result continues to struggle to reach the original job commitment. While the project has not been able to increase employment, the success of the plaza has resulted in additional pad development adjacent to the project. As a result, additional retail has been attracted to the site.

Staff Recommendation – Continue to monitor the situation and reassess employment totals in one year.

The Gunlocke Company - Staff met with the company who confirmed that 2023 as a strong sales year and they were able to relocate some work back to Wayland however entering 2024 sales again softened. Leadership does feel that this softening in sales is due to the fact that the parent corporation no longer markets Gunlocke products in a separate manner but rather includes them as part of their global offerings. In recent management meetings it was learned that the company recently purchased a competing brand and was looking to bring some of that work to Wayland helping increase job totals.

Staff Recommendation – The project will likely never realize its goal of 751 jobs however because of the potential risk of relocation out of State it is recommended we continue to monitor the situation and reassess employment totals in one year.

Red Lilac – Staff contacted the company and learned that the job losses were due to employee termination and staff turnover. The company is currently working to fill these positions.

Staff Recommendation – The project had previously reached its employment goals. Staff recommends continued monitoring and reassess employment totals in one year.

Wyckoff Gas Storage – Staff contacted the project, and the Wyckoff Gas Storage facility has been subject to unfavorable commodity pricing for its storage/withdrawal business model. The recent spike in inflation has also put tremendous pressure on the operations expenses required to maintain the compression and equipment at Wyckoff. The company continues to assess the market and look for ways to utilize capacity.

Staff Recommendation – The project had previously reached its employment goals. Staff recommends continued monitoring and reassess employment totals in one year.

