

ESD REGIONAL BRIEFING
Mohawk Valley Region
May 2011

I. OVERVIEW

Empire State Development's Mohawk Valley Region consists of six counties spanning 5,243 square miles of Upstate New York, roughly between Albany and Syracuse and between the Adirondack and the Catskill mountains. The counties in descending order of population are: Oneida, Herkimer, Otsego, Fulton, Montgomery and Schoharie. The most significant population centers are Utica, Rome, Amsterdam and Oneonta. The counties are predominantly rural in nature, with the most significant concentration of population occurring in the western part of the region in the Utica-Rome area.

The significant competitive forces and manufacturing decline that swept Upstate New York and the Northeast in recent decades did not spare the Mohawk Valley. However, manufacturing companies remain among the region's largest employers, although most jobs occur in such sectors as travel and tourism, distribution and financial services.

Because of its growing concentration in Information and Technology, along with the existence of a promising large site, the most significant aspiration of the region is to transform its economy through the attraction of nanotechnology firms and support industry.

	Region	Fulton	Herkimer	Montgomery	Oneida	Otsego	Schoharie	NYS
Population	490,080	55,053	62,236	48,616	231,044	61,602	31,529	19,541,453
Median Household Income	N/A	\$45,360	\$40,106	\$41,708	\$45,241	\$41,065	\$46,444	\$55,980
Unemployment (March 2011)	8.6*	10.7	9.7	10.6	8.3	8.1	10.6	8.0

*Utica-Rome MSA

II. SIGNIFICANT INDUSTRIES IN MV (with number of jobs/average wages)*

1. Educational Services (23,104 jobs @ \$744/wk.)
2. Hospitals (12,450 jobs @ \$964/wk.)
3. Nursing and Residential Care Facilities (11,485 @ \$585/wk.)
4. Ambulatory Health Care Services (7,877 jobs @ \$888/wk.)
5. Social Assistance (7,872 jobs @ \$423/wk.)
6. Professional, Scientific and Technical Services (5,287 jobs @ \$865/wk.)
7. Warehousing and Storage (4,218 jobs @ \$684/wk.)
8. Food Manufacturing (2,221 jobs @ \$783/wk.)
9. Heavy Construction (1,025 jobs @ \$673/wk.)

*Source: NYS Dept. of Labor 2010

VI. RECENT PROJECTS

Richardson Brands (Montgomery) –ESD has assisted the Canajoharie-based candy maker with two-phase expansion and acquisition project. In the \$2.4 million first phase, a \$500,000 grant, coupled with other state and local incentives helped secure a gas-fired “super boiler,” retain 128 jobs and create 15 new. In December 2009, Richardson received a \$1.7 million Upstate Regional Blueprint Fund loan for a \$6.5 million expansion project. The company bought Bogdon Candy of Kansas City, MO, which will lead to 213 people being employed at Canajoharie. This helps to offset significant loss of Beech-Nut from village.

Brewery Ommegang (Otsego) – Cooperstown-based Belgian-style brewer was awarded a \$250,000 URBF loan to build an 8,000-square-foot building for cold storage and warehousing. The \$1.8 million project is complete and will retain 35 full-time jobs and create five new jobs.

Hill & Markes (Montgomery) – In January 2011, Amsterdam-based Hill & Markes, a distributor of food service, janitorial and health care products was offered a \$616,213 Blueprint Fun loan to build a new \$11 million distribution warehouse in the expanding town of Florida Business Park. The project will create 48 new jobs and retain 141 existing positions.

Remington Arms (Herkimer) – ESD has twice assisted Ilion-based Remington Arms in recent years, as it expands in NYS through consolidation of acquisitions by its parent company, The Freedom Group. A \$14.3 million project in 2008 bought 100 new jobs to Ilion with the purchase of H&M Firearms. ESD provided a \$1.5 million capital grant. In May 2010, a \$1.5 million ESD grant helped to attract another 100 jobs to Remington, following the consolidation of a portion Marlin Firearms, CT into the Ilion facility. The Office of Community Renewal also provided \$750,000 for the 2008 project. Total employment at the Ilion plant, which was near 600 a few years ago, will now grow to 1,000.

Assured Information Security (Oneida) – With the help of a \$1 million URBF grant, Griffiss Local Development Corp. built a new \$9.7 million, 46,500-square-foot headquarters for growing cyber-technology firm Assured Information Security. The project will retain 81 F/T jobs and create 39 new F/T positions. AIS does R&D for the DoD, including cyber forensics and anti-forensic technologies, advanced computer and network defense, adversarial modeling, virtualization, multi-core system security and signals intelligence.

Bonide Products (Oneida) – An Oriskany-based maker and distributor of herbicides and insecticides will build a \$3.9 million, 75,000 square-foot expansion, creating 15 new jobs and retaining 98. A \$100,000 ESD grant helped persuade Bonide to drop plans for a Georgia move.

Precisionmatics (Herkimer) – Precisionmatics is a metal turning shop in rural West Winfield that has seen rapid growth in the aviation portion of its business. A planned \$860,375 expansion project consists mainly of new machinery and equipment that will retain 47 jobs and create 5. The company accepted a \$100,000 ESD grant offer in December 2010. This was a joint offer, with the Office of Community Renewal offering up to \$75,000 toward the project.

Premier Aviation Overhaul – (Oneida) Canadian jet maintenance firm has stepped in to purchase the assets of failed Empire Aero Center at Griffiss Business and Technology Park, Rome, and hopes to grow to 195 jobs. On Feb. 11, Premier accepted a \$500,000 Upstate Blueprint Grant to help expand its maintenance and painting capabilities, including services for wide-bodied aircraft. The total project costs of \$1.7 million will retain 90 jobs and create 105.
ESD PROJECT NOT YET ANNOUNCED.

Howe's Cave LLC – (Schoharie) Howe's Cave LLC, part of Howe Caverns, plans new attractions which to complement the existing cavern and grounds. The first phase includes construction of a new gemstone mining building, a 100-foot high look-out tower, a banquet pavilion for outdoor events, and a new concession facility. The \$1.2 million project aims to substantially increase tourism in a county known for both its rural beauty and chronically high unemployment. ESD has offered a \$100,000 grant to create 47 full-time equivalent positions.

AMT Inc. – (Schoharie) AMT Inc., a manufacturer of precision investment castings located in the Village of Sharon Springs, is upgrading its production facilities and adding jobs. With the aid of an ESD \$100,000 capital grant, the \$637,000 project will install high-technology equipment to help AMT to increase manufacturing capacity, ease production flow concerns, and improve product quality and competitiveness. The project will create 10 new jobs and retain 28 others.
ESD PROJECT NOT YET ANNOUNCED.

VII. KEY ISSUES:

Marcy NanoCenter – NYS has invested \$24 million to date in development of a 300-acre shovel-ready site for the attraction of nanotechnology tenants. Global attraction efforts continue, and ESD is certain to play a role in the identification and attraction of prospects. Sewer consent order placed on Oneida County by DEC impinges on all economic development efforts in the county, including this one. Further, site developer Mohawk Valley EDGE is disputes a Corps of Engineers' site permit that forbids disturbance of wetlands until an end-user for the site is signed.

Griffiss Business Park/DOD cuts – Government and business leaders in Oneida County are keeping watchful eye on potential impact of DoD cuts on three major entities at Griffiss Business and Technology Park: Rome Defense Finance and Accounting Service, the Eastern Air Defense Sector and the Rome Air Force Research Laboratory – together representing together affecting between 2,300 and 3,000 civilian and military positions. The Lab – which specializes in cyber-defense capabilities – has already escaped the base-closure knife twice.

Oneida County Sewer District – In February 2007, the DEC ordered Oneida County to repair a problem with its sewer system that caused untreated sewage to flow into the Mohawk River during periods of high runoff, such as heavy rain or melting snow. Initially estimated at \$66 million, engineers recently shocked county leaders with a \$158 million repair estimate – making it the largest capital project ever in the county. Even without state and federal assistance, which county and local leaders desperately seek – sewer rates will rise significantly for businesses and residences. Separately, **the city Utica**, the largest municipality in Oneida County, faces a sewer pollution problem that is estimated at \$152 million.