Southern Tier Regional Council Meeting

June 26, 2015

Council Members Present: Tom Tranter, Harvey Stenger, Kathryn Boor, Kathy Connerton, Patricia Cummings, Marty Dietrich, Diane Lantz, Ernie Hartman, Judy McKinney-Cherry, Kevin McLaughlin, George Miner, Bonnie Palmer, Lou Santoni, Tom Santulli, Martha Sauerbrey, Barbara Schindler, Linda Shumaker, Rose Sotak, Mike Stamm, Rich David

Council Members Substitutes: Steve Craig (for Lawrence Wilcox), Frank Evangelisti (for Debbie Preston), Lou Callea (for Mike Field), Jamie Johnson (for Joe Hauryski), Emmanuel Priest (for Senator Libous), Tim O'Hearn (for Dennis Fagan), Kim Middaugh (for Susan Skidmore), Joel Smith (for Candace Vanko), Anthony Rosemarino (for Dan Spoor), Tom Schryver (for Mary Opperman), Tim O'Hearn (for Dennis Fagan), Chris Whalen (for Assemblywoman Lupardo)

Special Guest: Ryan Silva, ESD

State Agency/Local Government/ESD Staff: Paul D'Amato (DEC), Pam Eshbaugh (DOT), Hector Gonzalez (Ags. & Markets), Christian Harris (DOL), Ken Lynch (DEC), Julie Sweet (DOS), Janet Roach (DOH), Michael Straight (NYSERDA),Jared Kraham, Theresa Saraceno, Robin Alpaugh, Barbara Furch, Terry Kane, Tom Kowalik, Susan Payne, Joe Roman, Jason Conwell

Reports/Discussions

- H. Stenger called meeting to order. He welcomed Council members to Binghamton University and asked members/designee's to introduce themselves and their affiliation.
- H. Stenger called for approval of minutes of May 26, 2015 Council meeting. Council approved.
- H. Stenger reviewed agenda for the meeting.
- R. Silva reported on recent events and upcoming SIAT Tour.
    - CFA process closing on July 31
    - 25 Workshops conducted throughout New York State; three in Southern Tier
    - August 26 date of SIAT Tour in Southern Tier; Council members will be invited
- R. Alpaugh provided staff report as follows:
    - Corning Diesel's priority project awards totaling $3M was presented and approved by the ESD board yesterday as was the BC IDA Indian Valley Industries grant to assist in moving the company from the BU Pharmacy school location to Kirkwood, retaining 40 jobs. The Alfred Technology Incubator/IncubatorWorks project at the former Schweizer Aircraft Facility near the Corning/Elmira Airport is expected to go for board approval in

July. There will be an open house/launch event and press conference on Tues June 30th at 10 am if any council members are interested in attending. Reminder to let ESD Staff know of any ribbon cuttings, ground breakings, openings so that press office can be looped in and cover and also be able to include in progress report and year-end video that Steve Craig is heading up.

  - ESD has been asked to spearhead Matilda Cuomo's Mentorship Program within our region, connecting businesses and employees with youth in our inner city schools. Council members will be receiving a letter shortly with additional information on this initiative and we look forward to your help in successfully launching this important program.

- S. Payne presented an overview of the process conducted leading to the Industry Cluster recommendation:
  - Process to develop the cluster plan included:
    - Establishing Cluster Program working group
    - Researching and selecting priority cluster
    - Supporting selection by highlighting existing/emerging companies and regional assets and strengths
    - Developing strategies to advance the cluster
    - Identifying potential projects for funding
      - Company expansion
      - Equipment acquisition
      - Industry attraction
      - Workforce training
  - Manufacturing labor market statistics
    - Southern Tier regional manufacturers employed over 34,000 individuals in 2014 Q3
    - Manufacturing industry employs 13.3% of all workers in the ST region. This is above the statewide (5.1%) and national (9.0%) percentages
    - The ST region has lost 2,058 (5.7%) manufacturing jobs over the last 4 years.
    - The region's manufacturing industry pays an average annual wage of $60,862
    - which is 41% above the average for all industries in the region ($43,177)
  - Manufacturing industry Clusters experiencing critical mass in the Southern Tier
    - Advanced Transportation Products, Components and System Controls
    - Food and Beverage
  - Comparative impact factors
    - Employment (size, trend, location quotient)
    - Wages
    - Exports
    - Multipliers (employment, sales, earnings)
  - Clusters of interest – Southern Tier Scorebook

Factor	Advanced Transportation Products, Components and System Controls	Food and Beverage Manufacturing
Number of Jobs Currently	**11,010**	4,762
Employment Trend	+197 (1.9%)	**+884 (22.8%)**
Average Wages	**$73,800**	$42,100
Location Quotient	**8.968**	2.934
Exports	**$3.9B**	$3.1B
Multiplier - Jobs	**2.46**	2.33
Multiplier - Sales	1.68	**1.70**

- Advanced Transportation Products, Components and System Controls Cluster
  - 65 + anchor and supply chain companies in all 8 counties
  - Anchors: Corning Incorporated, Hardinge, Hilliard, CAF Railway Solutions (Spain), Raymond Corporation (Japan [Toyota Industries Corp.]), BAE Systems (Britain), Alstom S.A. (France), Borg Warner, Dresser-Rand, GE, Lockheed Martin, Amphenol Aerospace, Unison Industries, GE Aviation and more
  - *Opportunity to:*
    - Create at least 1,500 – 2,000 high-paying, skilled worker jobs in next 3-5 years
    - Increase foreign investment
    - Expand export activity
    - Develop and infuse emerging technologies in product innovation and commercialization to increase competitive position: Advanced Materials, 3D Printing, Electronics Systems and Packaging, Energy Storage, etc.
    - Become a leader in key markets such as high speed rail and autonomous vehicles and unmanned aircraft, which can be applied to the region's agriculture industry as well
  - Work Group Recommendation:
    - *Advanced Transportation Products, Components and System Controls*
    - J. Johnson moved to accept recommendation. K. Connerton seconded. Motion approved.

- S. Payne presented overview of the process to identify URI plan initiatives and announce recommendations proposed by the STREDC Executive Committee.
  - Evaluation Criteria

        - Innovation: Targeted industry development driven by creative ideas and technology that will contribute to building an advanced economy in the Southern Tier with potential for significant job growth, high wages, and long-term sustainability.
        - Connectivity: The initiative and related projects have connections and relationships in sufficient scale and strength to bring about long-term transformational change, particularly in the region's key clusters.
        - Investment: Private sector investment (5:1).
        - Global: Expansion of global exports, foreign investment and foreign spending.
        - Workforce development, with an emphasis on engagement of hard-to-place workers.
        - Reinvestment in communities as required to support targeted industry development
    - Regional Assets and Opportunities
        - Abundance of natural resources, particularly and unparalleled access to clean, fresh water to support agriculture, manufacturing and a sustained quality of life
        - Location at the crossroads of interstate highways and access to rail provides a valuable distribution system for both agriculture and manufacturing industries.
        - Academic powerhouses: Cornell University and Binghamton University
        - Deep involvement with private and academic technology research and development (R&D) and STEM (science, technology, engineering, and math) workers
        - Rich history of innovation and growing capacity to develop and deploy emerging technologies hat will catipole the region's advanced manufacturing and agriculture industries to the highest levels of competitiveness
        - Strong agriculture and food processing base that is gaining momentum
        - Cornell University's world renowned expertise in agriculture to develop and deploy new technology, including controlled environment agriculture and renewable energy
        - Strong existing base of advanced industries that are a major component of the nation's "tech" sector, ranging from high-speed rail and aerospace, to high-tech materials, to controls and electronics
        - Growth of Binghamton University's pharmaceutical, bio-engineering and 3-D printing expertise; combined with strength in manufacturing technology to make the Southern Tier a leader in "advanced industries"
        - R&D capacity and commitment to integrate energy technology at all levels of the strategy ranging from housing and commercial space to manufacturing and agriculture
        - Commitment to creating healthy communities, understanding they are an integral piece to the vision of an innovation district, as they are the physical places that help to attract and retain the skilled and diverse workforce that is the heart of innovation

- **Proposed Southern Tier URI Plan Initiatives**
    - **Advanced Industries Initiative … Nexus of Transportation Products, Components and Control Systems**
    - **Southern Tier Food and Agriculture Initiative**
    - **Promoting the Southern Tier's Innovative Culture Initiative … A Magnet to Attract Entrepreneurs, Talent, and Investment**
    - **Greater Binghamton Innovation Ecosystem Initiative**
- Food and Agriculture Initiative
    - We envision a future where the Southern Tier is a world-recognized leader in new agriculture technology and serves as a key food supplier for the Eastern Coast of the United States.
    - In the Southern Tier the food and agriculture system produces $5.2 billion in output, 9.5% of regional total
    - These sectors combined provide 45,000 jobs in the region, 11.5% of the regional total
    - The regional trend in agriculture has momentum-- between 2009 and 2013 the food manufacturing sector gained 1,000 jobs, a 41% increase (Schmdit, 2012 and UBRI, 2015)
    - We have 6,600 farms, more than any other region
    - We are home to the world's #2 College of Agriculture and Life Sciences at Cornell
    - We have unparalleled access to clean, fresh water
    - We sit at a crossroads of a distribution network made up of interstate highways and rail
    - Our market within 500 miles encompasses 1/3 of the U.S. population, or 115 million people
    - Capitalizing on Assets with Transformational Strategies
        - Increasing access to food processing support and facilities
        - Advancing distribution via network and market development
        - Developing and deploying new technology, including controlled environment agriculture and renewable energy
        - Supporting production by increasing profitability and workforce development
    - Key Activity Examples
        - Food Processing: Aseptic packaging facility, USDA-certified slaughterhouse (Chenango County), Stonyfield Organic dairy processing facility, Binghamton Food and Beverage Business Incubator
        - Market and Business Development: The Southern Tier Agriculture and Food Development Cooperative will identify sites and developers, attract and execute private investment

contracts, link producers with processing and distribution opportunities, and facilitate collaboration with other regional initiatives (tourism, brand development, manufacturing).
    - Controlled Environment Agriculture: Center for Excellence in Controlled Environment Agriculture Technology for innovation in greenhouse, high-tunnel, and hydroponics technology (to include solar panels, glass systems, controls)
  - Private Investment Opportunities
    - Private company investment in building/operating facilities
    - Private company job and wage growth
    - Higher education contributions (Cornell, CCE Binghamton, SUNY Broome, TC3)
    - Financial institution and bank support (low-interest loans and revolving funds)
    - Federal funds including USDA, Department of Energy, and Appalachian Regional Commission investment
- Advanced Industries Initiative … Nexus of Transportation Products, Components and System Controls
  - Our Vision
    - With the Southern Tier region already recognized worldwide for its advanced manufacturing prowess, this large and prominent sector of transportation products, components and system controls has the potential to be one of the most influential economic drivers in creating the region's advanced economy.
  - The sector is well poised to grow with the combination of market forces, innovative R&D, strategic private sector and academic collaborations, and industry leadership.
  - All indicators point to stability and growth among the anchor manufacturers and supply chain with a projected creation of at least 1,500 – 2,000 new jobs in the next five years.
  - Southern Tier excels in 6 of 12"Disruptive Technologies" identified by the McKinsey Global Institute that will be game changers for the region:
    - Advanced robotics
    - Advanced materials
    - Autonomous vehicles and unmanned aircraft
    - 3D printing
    - Renewable energy
    - Energy storage
  - The Brookings Institute identifies 35 Advanced Manufacturing Industries for the future

- ST surpasses other regions in 8 industry sectors, all related to transportation equipment manufacturing:
    - Aerospace Products and Parts
    - Clay Products
    - Commercial and Service Industry Machinery
    - Computers and Peripheral Equipment
    - Engines, Turbines, and Power Transit Equipment
    - Navigation, Measurement, and Control Instruments
    - General Purpose Machinery
    - Transportation Equipment

- Game Changing Investments
    - Commitment to Innovation and Infusion of Technology
        - Sample Activities:
            - Center for Technology Infusion and High-Tech Engineering Design to advance technologies
            - Rail and powertrain test tracks for testing by companies in the northeast
            - Incubator to nurture and grow the supply chain, particularly WMBE businesses
    - Continuously Recharging the Skills Pipeline and Attracting STEM Workers
        - Sample Activities:
            - Region-wide advanced manufacturing workforce awareness and recruitment program
            - Skills development programs established by community colleges and BOCES in collaboration with the private sector
            - Specialized workforce development programs and facilities at key growth areas such as Raymond Corporation and the Manufacturing Hub for High Speed Rail in Hornell to help facilitate the transfer of technology from Japan and France
    - Strengthening the Advanced Manufacturing Ecosystem
        - Sample Activities:
            - I-86 Corridor Innovation projects such as enhancement of multi modal facilities to assist with product distribution and supply chain growth, and community revitalization projects in Corning, Elmira and Hornell (concentration in high distress and brownfield areas including

infill development for mixed use projects, waterfronts and recreational trails, repurposing existing buildings, streetscape improvements
- Expansion of inventory control and manufacturing systems of supply chain businesses
- Infrastructure for creation of a Manufacturing Hub for High Speed Rail Development in Hornell

- Promoting the Southern Tier's Innovative Culture … A Magnet to Attract Entrepreneurs, Talent, and Investment
    - Overall Goal: To make the Southern Tier a well-recognized and highly desirable place to visit, live, and grow a business
    - Objectives
        - Strengthen the tourism infrastructure and position it as a key economic development enabler
        - Promote the region's increasingly vibrant communities and quality of life
        - Promote the region's rich capacity for innovation, particularly it academic institutions and surrounding ecosystems
        - Increase the "stay rate" of graduates of the higher education institutions
        - Recruit talent and develop a critical mass of entrepreneurs
        - Ignite fierce
    - How?
        - Leverage the region's world-class academic institutions
        - Improve the tourist experience by leveraging and strengthening the assets of the region as attractions
        - Promote Southern Tier's innovative culture and quality of life to key target groups such as:
        - College and university students transitioning from student residency to permanent residency
        - Natives who left the area and are interested in returning
        - Millennials seeking quality of life available in the Southern Tier
        - Supporting the infrastructure for starting and growing new businesses – places (incubator spaces), services (incubation mentoring, workshops, advice), and resources (seed capital fund)
        - Identifying and promoting Southern Tier's global connections through time and trade
    - Game Changing Investments

- Brand and Promote the Southern Tier's Innovation Culture … Visit, Love It, Live It
    - Sample Activity: Undertake development of a regional brand with a focus on target markets including local residents, tourists, international travelers, young professionals and entrepreneurs.
- Strengthen Tourism Infrastructure
    - Sample Activities:
    - Incentivize (grants and low interest loan fund) entrepreneurs investing in tourism venues
    - Enhance and promote both our "college" communities and local Main Streets
    - Upgrade tourism destinations such as performing arts; wineries, breweries and distilleries; agri-tourism; museums; sports facilities; hiking/biking trails; major waterfront development projects
    - Expand transportation and fueling options; i.e., zip cars, bicycle rentals, PEVs and Hydrogen, etc.
- Promote Southern Tier's Innovation Culture and Quality of Life to Talent and Entrepreneurs
    - Sample activities:
    - Develop and implement a Talent Attraction and Retention Campaign
    - Increase financial resources in support of entrepreneurship
    - Develop and promote entrepreneurial communities that catalyze connections between entrepreneurs
    - Create community development and homesteading program for young talent (focus on distressed communities)
- Identify and Promote Southern Tier's Global Connections Through Time & Trade
    - Sample activities:
    - Develop and implement a program to promote the existing ST globally-relevant assets to high-value add visitors
    - Create infrastructure and programming to stimulate new foreign direct investment in businesses that appeal to the foreign traveler

- Opportunities for Private Investment
    - Enhanced tourism destinations and waterfront development
    - Main Street revitalization

        - Entrepreneurial endeavors focused on tourism attractions and interactive activities
        - Foreign investment
        - Tourism spending, with focus on international traveler
- Greater Binghamton Innovation Ecosystem Initiative
    - Our Situation
        - vacant industrial space
        - deteriorated housing stock
        - abandoned brownfields
        - population down 41%
        - median age up 25%
        - 28% poverty rates 2x NY average
        - Unemployment – particularly among hard-to-place workers
    - Our Assets
        - largest metropolitan area and workforce
        - growing, premier university with science & engineering focus
        - Anchor industries in transportation, defense, aerospace, and healthcare industries
        - capacity for innovation - area in top 10 for creativity, top 15 for high-tech
    - Our Challenge
        - reverse urban outmigration
        - create vibrant centers
        - smart growth
        - attract brightest and most talented workers
    - Why the Greater Binghamton Innovation Ecosystem?
        - Our Strategy … to create an *innovation ecosystem* that leverages:
            - Commitment and collaboration
            - University investments
            - University and private sector partnerships
            - Capitalize on the explosive job growth in emerging technologies; i.e., 3D printing, pharmaceuticals, autonomous vehicles
            - Public Transportation System
            - Large Workforce
            - Smart Growth Principles
            - Historic and Cultural Assets
            - Geographic location as primary gateway into the Southern Tier Region
        - Transformative Outcomes

        - Create 1,200 – 1,000 jobs
        - Leverage projected $1B in university, NYS and private sector investment in next 5 yrs
        - Reverse outmigration and attract talent
        - Rebuilt and attractive urban cores
        - Become national leader in integrative approach to reversal of chronic conditions and regeneration
        - Establish a cultural hub for the region
        - Advance Southern Tier's Opportunity Agenda
    - Binghamton Commerce Core iDistrict
        - Driver: High Technology Incubator
        - Create an innovation economy in downtown Binghamton
        - Strengthen the City's role as a business, financial, legal, entrepreneurial and educational epicenter
        - *Sample Projects*
        - Populate Southern Tier Technology Incubator
            - Small scale manufacturing space
            - Specialized laboratories for testing and prototyping
        - Extended entrepreneurial and business services and resources
            - Connect tenants to research and educational programming at Binghamton University and SUNY Broome
            - Seed and venture funding
        - Revitalization Urban Core
            - Collier Street Commons mixed use development project
            - Waterfront redevelopment
            - Route 434 Connector
    - Johnson City Health & Cultural iDistrict
        - Driver: Health Sciences & Technology Innovation Park and Health & Cultural District
    - Endicott iDistrict
        - Driver: Advanced Manufacturing Hub
        - Revitalize Endicott's urban core – target areas with high concentration of blight and poverty
        - Capitalize on emerging manufacturing trends to draw startup and established companies

            - Labs, offices, manufacturing space, electric supply, wastewater treatment in place in re-purposed, renovated Huron campus space
            - Expand / Create multi-user shared facilities for industry technical assistance and product commercialization
            - CAMM for roll-to-roll printing of flexible electronics
            - Endicott Product Innovation Center (EPIC) for 3D Printing
            - Microgrid system integration / alternative energy
            - Hybrid Powertrain test center
    - J. Cherry moved to approve the four initiatives as recommended by the Executive Committee. S. Craig seconded. Motion was approved.
- S. Payne briefly reviewed the public engagement process utilized to date and explain next steps.
    - Website: Public information session dates, recorded WebEx sessions, Work Group meeting dates, Work Group PPT's, data analyses, posting of preliminary initiatives and projects for public review and comment
    - Community meetings
    - WebEx Sessions (live and recorded): Municipal leaders, general public
    - Media Coverage: Print, TV/Radio, Social Media (Facebook)
    - Work Group Meetings
    - Next Step:
        - On-line survey to rate URI strategic priorities and receive input. Survey will be available in early July and posted on the Governor's REDC website.
- Public comments:
    - Adam Flint:
        - Pleased with Johnson City Park
        - Recommended Council press for communities to approve PACE financing to allow more private sector funding; capitalized on Clean Energy Workforce Development grants; and explore Community Clean Energy
    - Allen Michaels:
        - Hoped that Council would encourage communities incorporate Internet of Things, Smart Buildings, Smart Cities, and Smart Southern Tier concepts.
- Other council business.
    - Next meetings of the full Council were announced.
        - September 1, 2015
        - September 10, 2015
- T. Tranter adjourned the meeting.

Decisions/Actions

- Minutes from STREDC May 26, 2015 meeting were approved.
- Industry Cluster recommendation was approved. "Advanced Transportation Products, Components and System Controls"
- URI initiatives were approved:
    - Advanced Industries Initiative … Nexus of Transportation Products, Components and Control Systems
    - Southern Tier Food and Agriculture Initiative
    - Promoting the Southern Tier's Innovative Culture Initiative … A Magnet to Attract Entrepreneurs, Talent, and Investment
    - Greater Binghamton Innovation Ecosystem Initiative
- Community survey will be created and placed on the Governor's REDC website in early July. Comments will be collected until July 20.