



**Ithaca Area
Economic Development**

Annual Report



2022



NOTE FROM OUR LEADERSHIP

What a year it's been! Two years ago, during Covid, IAED assisted a record number of manufacturing/R&D expansions and jumpstarted numerous housing and community development projects in our small Upstate community. All indications were that we'd come through the worst of it, and that the economy was moving full speed ahead! Then, global forces changed that narrative. Supply chain issues, rising interest rates, and the looming threat of recession forced us all to rearrange our priorities.

As manufacturers everywhere experienced contraction, IAED listened to our business partners and refocused our efforts toward workforce development and training. We tapped into underserved populations and provided a direct pathway into quality, good paying manufacturing jobs with our Direct-to-Work pilot program. We doubled down on infrastructure expansion too, stretching our proposed 17-mile dark fiber broadband project into a 56-mile route that will serve more households, provide competitive access, and deliver redundancy across the northern part of the County. We also helped developers overcome rising construction costs that risked pricing them out of the workforce housing market and enhanced our partnerships with stakeholders that support small businesses, tourism, and quality of life. This annual report to the community highlights our work and we think you'll agree: IAED is focused on results.

When it comes to economic development, change is the only constant. At IAED, we embrace it. Our small but mighty team continues to maintain a singleness of purpose: create a supportive business climate that attracts, grows, and retains companies that provide quality employment opportunities. Through forward-thinking, strategic partnerships with businesses, government, academic institutions, and area non-profits, we support economic prosperity for all.

As we look ahead toward our 60th year, IAED will be embarking on another 5-year investment initiative. A balanced and sustainable funding stream from fee-based income, Tompkins County government, and private employers will enable us to stay the course and to harness new and emerging opportunities. We look forward to sharing with you a complementary 5-year strategic plan that compartmentalizes our work in three primary areas – providing consistent and customized business services, workforce development, and economic development leadership – and communicating our successes.



A handwritten signature in black ink, appearing to read "Heather D. McDaniel".

Heather D. McDaniel,
CEcD, AICP, EDFP
President, IAED



A handwritten signature in black ink, appearing to read "Greg Galvin".

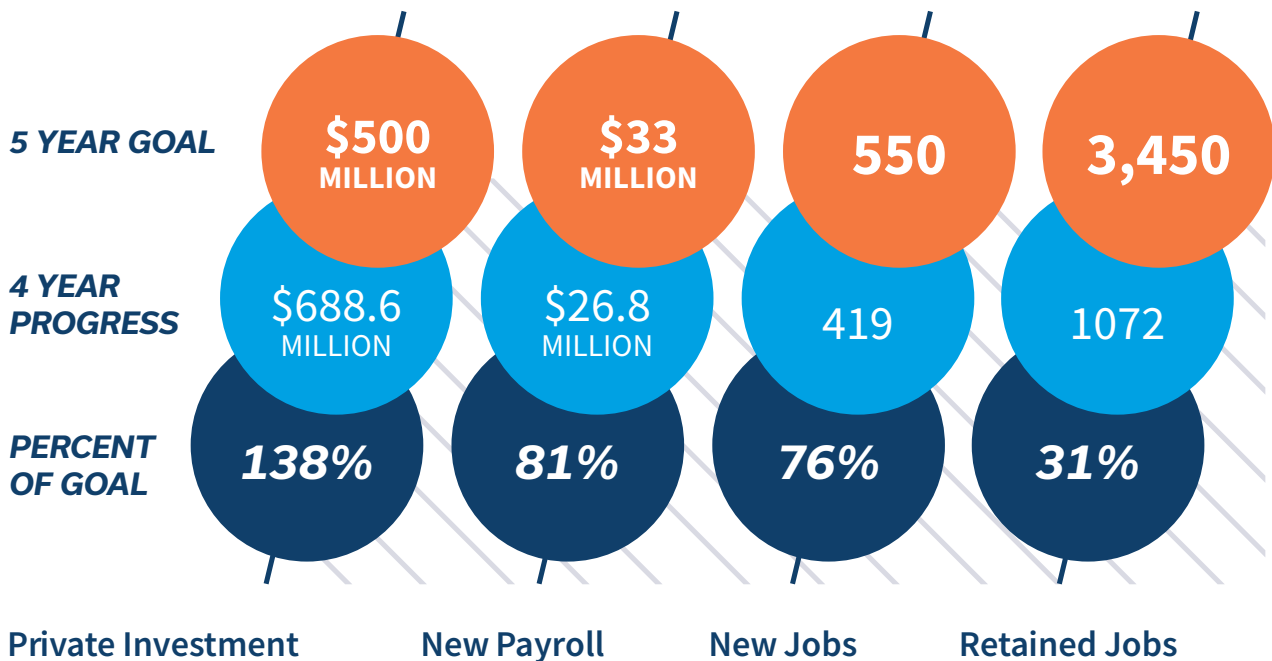
Dr. Greg Galvin
Chair, Board of Directors

**STAY TUNED FOR
MANY MORE
YEARS AND GREAT
THINGS TO COME
FROM IAED!**

BY THE NUMBERS

ADVANCE TOMPKINS 2019-2023

In 2018, IAED secured \$1.9 million in pledges from over 80 investors to support one-third of our annual operating budget. The 5-year investment initiative, Advance Tompkins 2019-2023, outlined ambitious goals to match. Four years in, IAED has exceeded its private investment goal and is on track to achieve new payroll and new jobs goals. Retained jobs are lagging because our projects have been largely community development-focused, with ancillary benefits like new housing, tourism destinations, a vibrant and active downtown, and energy efficiency upgrades. Though not as flashy on paper, they all contribute to an overall quality of life that attracts and retains a talented workforce.



Strategic Priorities: IAED is committed to leading economic development in Ithaca and Tompkins County using the following strategic priorities:

- 1** Deliver **Direct Services** that advance the growth of startups and established companies to ensure business and industry maintain a competitive edge.
- 2** Create **Workforce Development** opportunities to acquaint and align residents with careers and support services to succeed in key 21st century industries.
- 3** Provide **Economic Development Leadership** toward strategic planning and initiatives that create a favorable economic climate where businesses and communities thrive.

DIRECT SERVICES

IAED delivers technical, financial, and site location assistance to support the creation, retention, expansion, and attraction of business and industry. IAED's focus is the traded sector – companies that are located here but distribute products or services elsewhere – including advanced manufacturing, high-tech and software, healthcare, higher education, food and beverage manufacturing, and tourism and hospitality. IAED allocates resources strategically, targeting businesses and entrepreneurs with sound rationale and high likelihood to start and stay in Tompkins County, thereby ensuring a long-term commitment to the community.

TCIDA & TCDC

The Tompkins County Industrial Development Agency (TCIDA) is one of the most powerful local tools to support industrial and community development. The TCIDA offers a variety of tax incentives to make projects – and the numbers behind them – possible.

Its companion, the Tompkins County Development Corporation (TCDC), provides access to low-cost bond financing for nonprofits. That allows them to leverage capital, often at lower interest rates than conventional financing, which is good for the bottom line. IAED administers both the TCIDA and TCDC. Together, they enable IAED to ensure investment, jobs, and project fees stay local and return long-lasting benefits for the Tompkins County economy.

TCIDA

City Harbor – The incentive package was amended for this transformative waterfront development after the team made the decision to add a second phase to be built concurrent with the previously approved first phase. This single-phased approach will ensure the financial viability of the project, minimize construction disruptions, and provide waterfront access in a timelier manner. The \$21.5 million second phase will add 60 rental units and additional public amenities and contribute \$855,677 in new property taxes over ten years.

2022 Achievements



Cliff Street Retreat

– The Cliff Street Retreat is an adaptive reuse of an existing manufacturing facility at 407 Cliff Street in the City of Ithaca. The project will convert a 25,797 square foot industrial building into a 43,085 square foot multi-use building that will include 10 apartments, 6 hotel lofts, and 4 cottages. There will be a café and bar/lounge that will reflect the quiet elements of the West Hill neighborhood, boutique retail spaces that will promote an entrepreneurial startup community, and a mix of professional office spaces.

The \$9.6 million project will contribute an estimated \$664,048 in new property taxes over the next 10 years. The project developers will also contribute \$50,000 to the Tompkins County Community Housing Development Fund (CHDF) to support affordable housing development in the County.



Gateway Lofts – This is an adaptive reuse of a 47,285 square foot vacant commercial office building located at 401 E. State Street into 46 residential units. The project also includes ground floor retail/restaurant space as well as meeting and community rooms for residents. The \$19 million project will increase property tax revenue by an estimated \$4,190,029 over the next 7 years and contribute \$230,000 to the CHDF to support affordable housing development.

TCDC

Cayuga Medical Center at Ithaca

The TCDC acted as a conduit issuer for \$21.8 million in low-cost financing through the tax-exempt bond market for Cayuga Medical Center to purchase two vacant big box stores at the Shops at Ithaca Mall. The project includes consolidating Cayuga Medical Associates practices and developing a new health careers training facility.



Other Highlights

2022 Annual State Reporting – There were 59 active TCIDA/TCDC projects in 2022 that contributed over \$4 million in new property tax payments and created or retained over 2,200 jobs.

Workforce Housing Policy – IAED updated the TCIDA’s Workforce Housing Policy to prohibit short-term rentals and clarify the timing of affordable housing payments. The policy has enabled seven projects that will develop 1,056 units of housing, of which 243 (23%) are affordable, and directed over \$3 million into the CHDF, which provides local assistance to support affordable housing development throughout the county.

TOURISM CAPITAL GRANTS PROGRAM

IAED administers the Tourism Capital Grants (TCG) program for Tompkins County. The TCG program is funded by hotel room occupancy taxes and supports major investments in visitor-generating projects such as theaters, museums, and other cultural and recreational attractions. Funding can be used for design, renovation, and new building projects; investments in unique permanent installations like exhibits; and feasibility studies of potential capital projects.

After a three-year hiatus, the TCG program returned in 2022. Seven projects received \$242,000 and will leverage another \$1.5 million. New recipients included the Friends of Newman Golf Course and the Town of Newfield.



Project Title	Award	Private Investment
Feasibility Studies		
Friends of Newman Golf Course – Golf Course Clubhouse Feasibility Study	\$13,000	\$30,000
Friends of Stewart Park – Waterfront Wayfinding Signage Design Study	\$8,000	\$13,850
Sciencecenter - Science Park Reimagined: Planning and Prototyping Study	\$43,000	\$79,100
Town of Ithaca - South Hill Recreation Way Extension Feasibility Study	\$43,000	\$80,000
Capital Improvement Projects		
State Theatre - State Theatre Lobby Expansion 2023	\$90,000	\$743,800
Town of Newfield – Newfield Covered Bridge Visitor Area and War Memorial Park	\$15,000	\$62,580
Trumansburg Conservatory of Fine Arts - TCFA Renovation	\$30,000	\$558,852
	\$242,000	\$1,568,182

REVOLVING LOAN FUND PROGRAM

IAED's Revolving Loan Fund supports qualified small businesses, sparking innovation and growth by spanning the divide to success. Revolving loans can be used to supplement gap financing for businesses that need a little more than traditional lenders can offer, and in so doing move a project from futility to fruition.

Active Loans in 2022 15 loans and \$1,063,500 deployed

- Beet-N-Path/Grainful
- Concept Systems
- Dimensional Energy
- Dutch Harvest Farm
- Exotanium
- iFyber
- Ithaca Coffee Company
- Odyssey Semiconductor (2)
- Rosie Applications
- ShrubBucket (2)
- Singlebrook Technology
- South Hill Cider
- Transonic Systems

BUSINESS SERVICES

Business Retention, Expansion & Attraction – IAED completed 68 BR&E visits and hosted 2 roundtables with software technology companies. IAED also provided site location assistance to three manufacturing/R&D companies interested in locating to Tompkins County. One of them - Knickerbocker Bed Company - relocated its corporate headquarters and production facility to Dryden, bringing with them 6 employees and hiring another 90 from the local workforce.



WORKFORCE DEVELOPMENT

IAED's workforce development program engages local employers, educational partners, and community-based organizations to develop and embed career readiness training programs that align with immediate and projected workforce needs of key sector employers. IAED also collaborates with partners on talent attraction efforts.

Direct to Work (DTW) Pathways

to Manufacturing – IAED partnered with the Alliance for Manufacturing & Technology (AMT) to pilot the DTW program for non-college bound high school graduates: 11 participants enrolled, 4 finished the training, and 3 were placed into full-time employment. Future cohorts will be supported, in part, by grants that IAED secured from the Community Foundation of Tompkins County and Tompkins Community Recovery Fund for participant stipends and virtual reality training headsets, respectively.



POWERED BY  Ithaca Area Economic Development

Manufacturing Sector Partnership

– IAED conducted deep dive assessments of entry level workforce needs of eight local manufacturers: Therm, Stork, Precision Filters, Lansing Instrument, C&D Assembly, BorgWarner, Incodema3D, and Knickerbocker Bed Company. IAED used the information they provided to develop an industry worker candidate profile, which will be used by community partners to recruit and evaluate potential job seekers.



Community Partners,
Employer, Social Media,
Word of Mouth Referrals

Recruitment

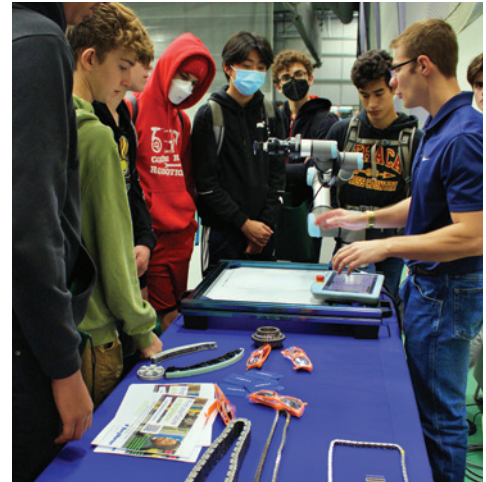


Assessment & Training



Matchmaking & Referral

4th Annual Manufacturing and Development Expo (MADE) – In collaboration with the Tompkins County Workforce Development Board, Tompkins Workforce NY, Cortland Workforce Career Center, Tompkins Cortland Community College, TST BOCES, and AMT, IAED helped coordinate the 4th annual MADE event. Eighteen manufacturers and 166 students from surrounding districts participated in the full day event.



Talent Attraction Campaign – IAED received a NYSEG Economic Development Strategic Outreach Program matching grant to contract with Development Counsellors International (DCI) to audit IAED’s website, research top feeder markets, and conduct a perception study to inform optimal messaging. IAED applied a restructured sitemap to revamp the website, relocated it to a more capable hosting service, and improved its reliability. IAED also applied elements of DCI’s key messaging into the web content and is using other parts to frame the 5-year investment initiative and strategic plan.

ECONOMIC DEVELOPMENT LEADERSHIP

IAED oversees countywide planning and strategy, provides leadership on critical issues impacting economic growth and prosperity, and spearheads initiatives that enable employers, workers, and the community to grow and prosper.

SouthWorks – IAED introduced SHIFT Capital, a Philadelphia-based social equity investment firm, to spark redevelopment of the SouthWorks site. The \$350 million project will transform the 95-acre site into a mixed-use neighborhood with diverse and dynamic uses including light industrial, research and development, workforce training, and a mix of housing. IAED also coordinated and secured an Appalachian Regional Commission (ARC) grant to create a comprehensive plan for infrastructure development, and is pursuing a tech-based co-location facility aimed at retaining life science companies as they graduate from local incubators.



SouthWorks is a potential game changer for Ithaca. Its size and scope allow us to intentionally and collectively, with businesses and residents, design a neighborhood that welcomes leading-edge thinking and practices, drives sustainability throughout, and connects living and culture site-, city-, and town-wide.

- Brian Murray
CEO, SHIFT Capital

Grants – IAED provided guidance and support to partners for the following programs:

- FastNY
- NY Forward
- ARC Infrastructure and Infrastructure & Investment Jobs Act (IIJA)
- New York State Consolidated Funding Applications and Covid-related tax credits
- ESD Office of Strategic Workforce Development Capital and Pay for Performance grants

IAED secured an ARC IIJA grant to support a comprehensive plan for infrastructure development at the SouthWorks site; IAED will serve as grant administrator. Through its 501(c)3 subsidiary – Tompkins County Area Development Foundation – IAED also secured two grants from the Community Foundation of Tompkins County and Tompkins Community Recovery Fund to administer workforce training programs on behalf of participating manufacturers.



Broadband – IAED made significant progress in implementing its previous ARC grant for the Lansing broadband project. IAED executed definitive agreements with Point Broadband to deliver 56 miles of fiber broadband infrastructure in northern Tompkins County. The project will connect 50 unserved households, offer competitive service to another 1,600 units, and provide redundancy to the Town of Dryden. IAED also hired Ed Guo, a senior in Cornell’s Urban and Regional Studies program, as an intern tasked with helping prepare the environmental review and preliminary engineering report required for the grant. Project completion is expected in fall 2023.



IAED continues to be an active participant in the Cornell Infrastructure Network and ST8’s Regional Broadband Collaborative. IAED was also asked to serve on a countywide steering committee (the only NGO partner to participate) to guide

the selected consultant – ECC Technologies – in the planning process to evaluate accessibility and develop a plan to improve connectivity across Tompkins County.



Water & Sewer Study – IAED teamed up with the Tompkins County Department of Planning and Sustainability to facilitate the decadal update of the 2010 Water & Sewer Evaluation. The new evaluation (initiated in 2020 but delayed because of the pandemic) detailed progress toward implementing system improvements and expanded its scope to suggest forward-looking “priority objectives” to enhance partnerships, planning, and project delivery. IAED and T.G. Miller made final presentations to the Planning Advisory Board, Water Resources Council, and Tompkins County Council of Governments and distributed final copies to elected officials, municipal leaders, and systems operators. The full report can be found at IthacaAreaED.org/about-iaed.

Broadband is critical infrastructure. ARC’s investment enabled IAED’s project, which is the best leveraged example of a public-private partnership I’ve seen and will deliver myriad community benefits across northern Tompkins County.

- Jen Gregory,
Executive Director, Southern Tier 8
Regional Planning Board
Local ARC Development District

Economic Development Resource Partners (EDRP) Group

IAED convened the EDRP group throughout the year to expand partnership opportunities and coordinate implementation of action items in the Tompkins County Recovery Strategy. The opportunity to connect and collaborate has reduced duplication of services, strengthened partnerships, and provided better referral sources across organizations.



Boards & Committees – IAED staff continued to serve on the executive committee of the Southern Tier Regional Economic Development Council, the Southern Tier 8 Regional Planning Board, the New York State Economic Development Council, and the International Economic Development Council (IEDC). At IEDC’s 2022 Leadership Summit, IAED President, Heather McDaniel, delivered a panel presentation titled Planning for a Zero Carbon Future. IAED also served on the JumpStart board at Cornell, two regional loan funds, and a regional workforce strategy committee.

In April, Heather was appointed to a two-year term as Chairperson of the Tompkins County Air Service Board (ASB), an advisory group to the Ithaca Tompkins International Airport. The ASB is successor to the Air Service Task Force, which was founded in 1997 by IAED, the Tompkins County Chamber of Commerce, and the Tompkins County Airport (as it was then known). It is now a formal advisory committee of the Tompkins County Legislature and supports key functions of the airport including marketing, forecasting, and air carrier relationships.

Conferences – IAED participated in panel discussions at the Tompkins County Economic Summit and Good Jobs for All Summit. The latter was co-sponsored by Cornell-ILR, Ithaca Co-Lab, and Legal Assistance of Western New York, and was aimed at addressing the inequities in the local labor market in Tompkins County. IAED was also a principal sponsor of the Economic Summit, Upstate Rural Broadband Conference, Fall IDA Academy, and the MADE event. In return, IAED received brand placement and social media mentions.



Public Policy – While attending the NYS Economic Development Council conference in Albany, IAED coordinated meetings with Senator Pam Helming and Assemblymember Anna Kelles regarding broadband infrastructure development. IAED and partners communicated a similar message to the NYS Division of the Budget, and ultimately Governor Kathy Hochul, via a third-party representative with close ties to the Executive branch; IAED was involved in the strategic planning behind the approach, which ultimately repealed the state’s deleterious PERM 75 fiber use and occupancy fee program.

ABOUT US

We Moved – In June, IAED moved office locations to the former Tompkins Financial headquarters at 119 E. Seneca Street in Ithaca. The second-floor suite features 5,000 square feet of space, which houses IAED’s growing team and that of long-standing community partner, the Tompkins Workforce Development Board.



Building owner, Tompkins Community Bank, coordinated several upgrades before the move. In 2015, IAED (through the TCIDA) administered tax incentives to the bank for construction of its new corporate headquarters, located immediately across Seneca Street. The entire project was a \$35 million private investment by the bank. The Gateway Building, site of IAED’s former office, is being renovated for residential housing; it also received tax incentives through the TCIDA (see Gateway Lofts).

IAED on the Air Waves – IAED released a suite of radio spots featuring IAED’s support of the high-tech sector, including Odyssey Semiconductor and Dimensional Energy; both received financial assistance from IAED’s Revolving Loan Fund. IAED also featured the TCIDA and the affordable housing, local construction labor, and enhanced energy policies. The spots can be heard across local radio stations or at IthacaAreaED.org/iaed-news.

The move keeps us centrally located downtown, close to the Commons and our community partners. Tompkins Community Bank really made this an easy process for us. We’re grateful for their help and excited about maintaining our presence downtown. This is a win-win for everybody.

- Heather McDaniel,
President, IAED

Leadership in Action – IAED convened regular meetings of the Executive, Finance & Audit, and Loan Committees through 2022. Later in the year, IAED activated the Investor Initiative Committee to begin preparations for the upcoming five-year investment cycle. The Board of Directors now meets quarterly, which was sufficient in fostering board and staff engagement and conducting normal business activities.

ECONOMIC DEVELOPMENT LEADERSHIP

Executive Committee

Dr. Greg Galvin, Chair
Chairman/CEO, Rheonix

Cathy Hart, Vice Chair
General Manager, Ithaca Marriott

Jeff Gorsky, Treasurer
Partner, Sciarabba Walker & Co.

Chris Malcolm, Secretary
Manager, Wegmans

Greg Hartz
President & CEO,
Tompkins Community Bank

Lisa Holmes*
Administrator, Tompkins County

Laura Lewis
Mayor, City of Ithaca

Joel Malina
VP, University Relations, Cornell

Directors

Johanna Anderson
Executive Director, INHS

Julie Baker
Co-Founder/VP Operations,
Ursa Space Systems

Larry Baum
Past Chair

Shawna Black
Legislator, Tompkins County

Katie Borgella*
Commissioner of Planning,
Tompkins County
Planning Dept.

Illa Burbank
COO, iFyber

Sophia Darling
VP/CFO,
Boyce Thompson Institute

Jodi Lee Denman
CFO, Knickerbocker Bed Co.

Tim Downs
VP Finance and
Administration/CFO,
Ithaca College

Tom Knipe*
Deputy Director of
Economic Development,
City of Ithaca

Dr. Amy Kremenek
President, Tompkins
Cortland Community College

Ed Lavigne
Supervisor, Town of Lansing

Christine Lovely
VP, Chief Human
Resources Officer, Cornell

Dr. Jeff Matteson
District Superintendent,
TST BOCES

Greg Mezey
Legislator, Tompkins County

Brian Noteboom
Local 277 Representative,
NASRCC

Carrie Pollak
Partner, Hancock Estabrook

Tom Robinson
Plant Manager,
Borg Warner Morse TEC

Tom Schryver*
Executive Director New
Market Advancement,
Cornell University

Chris Sponn*
Interim Director,
Tompkins County Workforce
Development Board

Dr. Martin Stallone
CEO, Cayuga Medical Center

Jennifer Tavares*
President, Tompkins County
Chamber of Commerce

Jeremy Thomas*
Senior Director,
Cornell University
Real Estate

Shawn Wilczynski
Mine Manager, Cargill, Inc.

**Ex-officio, non-voting*

Investors

PLATINUM



GOLD

Chemung Canal Trust Company
Cornell Business & Technology Park
Harris Beach PLLC
M&T Bank
Newman Development Group
North Atlantic States Regional Council of Carpenters Local 277
Sciarabba Walker & Co., LLP
South Hill Business Campus
THERM Incorporated
United Association of Plumbers and Steamfitters Local 267
Wegmans
Welliver McGuire, Inc.

SILVER

Arnot Realty
The Bonadio Group
Bousquet Holstein PLLC
Bridges Cornell Heights
City Harbor LLC
The Computing Center
Delaware River Solar, LLC
Edger Enterprises, Inc.
First National Bank of Groton
Hancock Estabrook, LLP
Harold's Holding (McGuire Development & L Enterprises)
Hart Hotels - Hotel Ithaca
HOLT Architects
Howard Hanna
IBEW Local 241
Incodema

Insero & Company
Ithaca Beer Company
ITA Airport
JOCH&F
Kendal at Ithaca
Lambrou Real Estate
LeChase Construction
Longview, An Ithacare Community
NYSEG
Q2 Solutions
Security Mutual Insurance
Tompkins Cortland Community College
Tompkins Insurance Agencies
Visions Federal Credit Union
Waterfront Alchemy - Water Works

BRONZE

Advion
All Mode Communications
Alternatives Federal Credit Union
C&D Assembly
Cayuga Venture Fund
Communique Design & Marketing (Brandmint)
Dairy One
Iron Design
Ithaca Coffee Company
Maguire Automotive
MPL Incorporated
Northwestern Mutual
Novasterilis
Precision Filters
Racker

Sciencenter
Sheryl Sinkow Photography
State Theatre of Ithaca
T.G. Miller, P.C.
Tompkins County Chamber of Commerce
Transonic Systems, Inc.
True Insurance
United Way of Tompkins County
Ursa Space Systems, Inc.
Warren Real Estate
Whitham Planning and Design, PLLC

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**Ithaca Area
Economic
Development**