

REGIONAL RESILIENCE AND
RECOVERY PLAN FOR
CHEMUNG, SCHUYLER AND
STEUBEN COUNTIES



SOUTHERN TIER CENTRAL
Regional Planning & Development Board

Southern Tier Central Regional Planning and Development Board

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STC'S REGIONAL RESILIENCE AND RECOVERY PLAN FUNDED BY THE EDA'S 2020-2022 CARES ACT AWARD

Following the immediate economic disaster caused by the 2020 COVID lockdowns, the CARES Act was signed into law. The CARES Act allocated millions of dollars to the Economic Development Administration (EDA) funding to simulate economic recovery in the Economic Development Districts' (EDD) across the nation. The Innovative CARES Act funding was awarded to the nation's EDDs with 0% match, to accomplish a scope of work designed by each EDD to benefit their region.

In July 2020, STC developed a scope of work for our CARES project that was responsive to local conditions, and the needs of economic development organizations in our area. STC's Economic Development Policy and Strategy (EDPS) Committee was vital in developing the scope during the summer of 2020, The Committee determined there was a need for current local data, on the workforce, housing, childcare, the supply chain, and commercial/industrial real-estate. The EDPS Committee was also heavily involved during the winter of 2020 to select a consultant to complete the defined scope of work. STC incorporated disaster/flood resilience and an online interactive GIS platform for decisionmakers & grant writers in our region. From 2020-2022, STC worked with a Place Dynamics LLC and E.M. Pemrick & Company (a consulting team with decades of experience) to conduct locally relevant economic research and analysis for the purpose of guiding economic recovery, in Chemung, Schuyler, and Steuben Counties post COVID shutdown. This 16-page summary captures the most relevant research recommendations into one Regional Resilience and Recovery plan.

THIS RESILIENCE AND RECOVERY PLAN INCORPORATES TWO MAJOR ELEMENTS:

- A summary of action items highlighted in each of the CARES Act funded studies.
- A use matrix, which highlights how each of the studies can be used together to achieve a specific goal.

The following sections will each include STC's summary of the research, and a list of the recommended actions. Together, these reports and tools are meant to be utilized as a resource over the next few years for anyone 'planning' or 'doing' in Steuben, Schuyler, and Chemung Counties.

ECONOMIC SUMMARY:

The economy of STC's three county area is a closely interconnected web of economic actors, incentives, and existing conditions; in this way Chemung, Schuyler, and Steuben Counties are just like all other communities connected to the global economy. However, STC's region differs with the continued strong presence of 'wealth generating' industry compared with the 'average' community in NY; manufacturing, production, farming, and resource extraction are responsible for about 13.8% of employment in this area, more than double the NYS average of 5.8%. Existing manufacturing employment and notable local investments from many large employers have already mitigated some impacts of the Covid-shutdowns. The companies that successfully survived the lockdowns and subsequent recessions are more likely to be strong enough to undertake profitable expansions into new product lines/ services/areas. Existing businesses are likely to expand their territory/service area as well as increase the range of products/services offered. Utilization of this Regional Resilience and Recovery Plan should support economic-regrowth that will be sustainable in this community for the long term.

PROACTION'S REGIONAL CHILD CARE NEEDS, ASSETS AND GAPS ASSESSMENT OF STC COUNTIES IN 2021-2022

STC SUMMARY

A surprising percentage of working parents and employed individuals were able to 'make-it-work' during the covid-shutdowns, despite some loss/closure of childcare facilities in the region. There was a personal and economic cost borne by families that weren't able to maintain employment during the COVID-Lockdowns, due to the loss of childcare/in-person school. National data showed that women were disproportionately affected. Employment in this region remained relatively high during the coronavirus lockdowns, limiting the potential direct economic damage. However, indirect and induced negative effects of unemployment and COVID-lockdowns were detrimental.

- Childcare Center closures
- Closure and loss of business in tourism, recreation and food services.

FINDINGS FROM PRO ACTION

- Especially under the circumstances of COVID-19, child care is not reliably available. This condition (seemingly more than any other,) causes stress in homes.
- Child care is highly valued among parents, but the high cost of care causes stress and difficult choices in families.
- While parents express a preference for registered and licensed child care, many wind up choosing informal care or self-arranged care, even when it is not their first choice.
- Employer flexibility is a factor in the amount of stress caused by child care disruptions but, even when it is present, parents still feel stress when child care issues impact their work.
- Business impacts of child care issues are not quantitatively tracked by employers, but they report impacts anecdotally.

STC RECOMMENDATIONS

A fully resilient childcare system incorporates a greater direct support from the region's businesses. Businesses can provide direct support to childcare centers and also provide information for planning purposes about shift-work and opening/closing hours. Without integration, workers and employer still bear the costs of childcare directly (through increased costs, and higher absenteeism, which will further increase the rising pressure on wages. Developing strong funding partnerships between employers and childcare providers will improve the affordability of childcare for parents and increase the stability of the childcare system through diversified funding sources. Tracking and monitoring the impacts of childcare availability on employee success (performance, attendance, tenure) should result in a direct funding relationship between major employers and the regions childcare system (either directly to childcare providers, or funding through a regional childcare entity). New funding from employers could be used to match additional grant resources for improvements to the childcare facilities, purchase equipment, or staff training; further diversifying the funding used by childcare providers.

Improvements to the diversity, flexibility, and number of childcare providers in the region will prevent negative outcomes from future economic shocks, emergencies or disasters.

Strengthening the supply of childcare workers (through training) and supporting competitive pay for childcare workers will reduce the chances of childcare centers limiting operations due to staff shortages, and facilitate the opening of new centers to resolve the shortage of childcare spaces available.

CHEMUNG – SCHUYLER - STEUBEN WORKFORCE DEVELOPMENT ANALYSIS (MARCH 2022)

STC SUMMARY

Workforce issues are of tremendous importance, but the current issues are not insurmountable. Success can be achieved by employers that modify the standard approach to recruiting and wages. Workforce service providers can better integrate with employers and individuals who show interest in joining the workforce or securing additional training. Workforce specific approaches to economic resilience in the STC region should include: promotion of valuable training opportunities to all residents, promotion of ‘training from within’ companies, focus on growing candidates instead of ‘shopping’ for candidates, attracting new workers into the region to solve current worker shortages (but not all will remain in the region over the long-term), and making the company and the position more attractive to applicants.

The following table is a sample of the level of detailed information available from this Workforce Development Analysis. A comprehensive survey of more than 400 workers was used to assess the workforce environment in the region. STC can utilize the survey database to conduct further analyses, upon request.

Figure 24-1: In an ideal job, how important are the following to you?

	Rank	Weighted Average
Work-life balance	1	3.63
Long-term job security	2	3.59
Healthcare benefits	3	3.54
Company culture	4	3.44
Vacation time	5	3.42
Earning above-average wages	6	3.39
Having a positive impact on society	7 (tie)	3.34
Working with people I like	7 (tie)	3.34
Advancement and promotion opportunities	8 (tie)	3.33
Flexible work hours	8 (tie)	3.33
Training opportunities	9	2.93
Making a lot of money	10	2.91
Working with leaders in my field	11	2.72
Networking opportunities	12	2.64
Remote work options	13	2.48
Working for a well-known employer	14	2.07

Weighted averages based on scoring as follows: 1 = Not Important, 2 = Slightly Important, 3 = Moderately Important, 4 = Very Important.

Figure 1: From the Workforce Development Analysis, table based on survey results from 400+ workers in the STC Region, Winter 2021

E. M. PEMRICK & COMPANY FINDINGS

Companies, organizations and workers will need to adapt to address the challenge of filling job openings. People are seeking better work-life balance, and technology adoption is quickly changing how and where people work. Right now, it is a sellers' market for labor, and employers are being called upon to increase wages, offer more flexibility, and autonomy, as well as provide more benefits to compete. Many employers will need to make changes to their employee recruitment, retention, and hiring practices. Employers will be forced to look for workers in diverse populations, people who have been underutilized, underrepresented, or underemployed. Given the demand for labor and the rapid pace of change. Short-term education and training programs Ongoing upskilling and reskilling of the incumbent workforce and Workforce development approaches that combine paid work with instruction and on-the-job training will become more valuable

This section describes in more detail multiple strategies that should be pursued.

RECOMMENDATIONS FROM E. M. PEMRICK & COMPANY:

EMPLOYEE RECRUITMENT AND HIRING STRATEGIES

- Broaden the talent pool. Consider potential candidates from new sources or places that were previously ignored. (See **Tapping into Underutilized Segments of the Workforce** below.)
- Adopt a customer experience mindset. Pretend to be someone looking for a job at your company and organization and evaluate the application process. Are there barriers, whether intended or unintended? What can be improved to make it easier for candidates to apply?
- Always be recruiting. Employers should be proactive by seeking and tracking leads for future hires, whether or not they have a specific opening to fill.
- Create an employee referral program. According to a report by The Conference Board, employee referral programs are among the easiest and most effective tools for recruiting talent and engaging current employees. Semiconductor manufacturer GlobalFoundries in Saratoga County, for instance, offers a \$2,000 bonus to employees who refer new hires and a \$2,000 sign-on bonus to newly hired workers in high-demand technical positions.
- Reconsider the parameters used in the automated screening process. Many employers use technology to screen job applicants, but it may exclude viable candidates whose resumes do not match the exact criteria for the position but who could perform the job with on-the-job training
- Focus on skills rather than degrees or years of experience. Opportunity@Work, an organization whose mission is to expand economic opportunity for workers who lack a bachelor's degree but who are skilled through other means, believes that too much emphasis is placed on a bachelor's degree as a gateway to job-relevant skills. This excludes millions of talented individuals from access to higher-wage jobs. Data indicates that many employers are lowering formal education requirements in online job ads to fill open positions.
- Review and revise job descriptions to focus on a limited list of "must haves." When there was a vast supply of available labor, it made sense to include a veritable wish list of knowledge, skills, and experience that applicants should have. Today, this practice discourages some qualified candidates and greatly reduces the applicant pool.
- Provide salary information in job postings. Although they may be reticent to include it, employers are increasingly offering information on salary. According to Emsi Burning Glass, more than 50% of job postings today list wage rates, compared to just over 10% in 2016.
- "Sell" the job opportunity and the company. Similarly, with an unprecedented number of Americans changing jobs and competition among employers for talent, companies and organizations need to be proactive, and sell themselves to job candidates. This is not solely about pay and benefits, but also about the company culture, flexible work schedules, opportunities for advancement, etc. Small businesses may not be able to match the salaries offered by large employers, but they *can* sell other desirable aspects of the job and the workplace.
- Streamline the interview process and accelerate decision-making. Recruiters say that employers should not move too slowly, as candidates may be fielding multiple employment offers. An extended interview process, for example, works against the need for speed, and there are plenty of tools that allow "virtual" interviews. Employers also need to be quick to make an offer when they have a candidate they want to hire. Some companies are using texting, rather than email or phone calls, because of the faster response time.
- Hire people who have core competencies and the ability to learn, and teach them the skills specific to the job. Economist Josh Bersin says that it can be four to six times less expensive to "build a candidate" than "buy a candidate."
- Better engage new hires. Up to 20% of employee turnover occurs within 45 days of employment, yet many companies devote very little time to onboarding. To retain recent hires and make new workers feel welcome, a standardized onboarding process to address the organizational, technical, and social needs of new hires is essential.

HOUSING ANALYSIS SOUTHERN TIER CENTRAL REGION CHEMUNG, SCHUYLER, AND STEUBEN COUNTIES, NEW YORK

STC SUMMARY

Housing mismatch is one of the biggest issues for our region's workforce. Existing incentives and programs haven't been able to resolve the supply-demand gap across a variety of housing types. New actions and programs will be needed. The existing housing market is stagnant, there hasn't been a substantial number of new units being developed recently (compared to the housing booms of the 1900's and the 1960's).

The current housing mix doesn't satisfy the demand of modern buyers. There is a potential to attract buyers from outside the region; new in-migrants could enjoy the benefits of life in the Southern Tier. City, Town, Village, hamlet, suburban, rural, & agricultural lifestyles can be attractive to for the right buyer. Acreage is available and affordable (according to the perspective of people from big cities). The lack of builders to construct new homes on attractive lots is a limit for the potential influx of in-movers. Regionally, steps need to be taken to promote small parcel development and condo development/ condo-conversions. Without beneficial changes to regional real estate market, positive feedback toward adequate number of housing units for a vibrant workforce can't be achieved.

PLACE DYNAMICS LLC FINDINGS

- The Southern Tier Central Region (Chemung, Schuyler, and Steuben Counties) is an affordable housing market offering a competitive advantage for buyers of some housing products, compared to other parts of the country.
- Buyers in the three counties can get more house for the same money, compared to most parts of the country. This is true both the floor area of the home, and the size of the lot. The value is most pronounced under about \$300,000, though it is still true compared to many metropolitan areas for more expensive homes.
- The region will be very attractive to buyers who want to own acreage, which can be obtained very inexpensively compared to other parts of the country. Even buyers of homes under \$150,000 can get a very large lot.
- Workers in the Corning-Elmira area have the option of buying in the amenity-rich Finger Lakes region. While this comes with a long commute, remote work possibilities mean that workers may only need to occasionally make the drive, making this option more appealing.
- While it is true that buyers in the market at lower price points may need to invest in updates to homes available for purchase, this is no different than conditions elsewhere in the country. Funding improvements to a newly-purchased home, or even waiting for the improvements to be completed before moving in, can be a difficult for some buyers.
- Inventory is the greatest challenge for the area's market for owned housing. The greatest number of homes are priced below \$300,000, with few homes having the features commonly desired by high-earning households in management and professional occupations. Even the supply of more affordable homes is limited compared to large metropolitan markets.
- New home construction has added only about 3.2 to 3.5 percent to the housing stock in three of the last four decades. There is little speculative housing and few homes of relatively recent vintage on the market.
- At lower prices, prospective homeowners may be competing with investors hoping to acquire inexpensive homes as rental units.
- The market for owned housing is missing housing matched to the needs of older buyers (and some younger households). There are very few condominium or townhome units. Demand for single-level units with minimal maintenance requirements will be strong.

- Home buyers coming to the area are looking broadly, and not simply within the Corning-Elmira urban area. Many are buying homes along the lakes and in the northern part of Steuben County.
- Large number of renters cluster at both the high and low ends of the rent scale, where their needs are not being adequately met through current supply.
- Seniors on fixed incomes and low-wage workers make up many of the households renting the area's least expensive units. These include some subsidized housing developments along with many units held by small landlords. There is some concern about the financial health of these owners and their ability to fund continuing maintenance or upgrades, as a result of missed rent payments during the pandemic.
- As with owned housing, the region has experienced little new construction in the rental housing market. The few newer apartment complexes with desirable amenities are near to being fully leased at any time. There is substantial unmet demand for better-quality apartment developments in the region.
- Overall, rent in the three counties is affordable when compared nationally. The median rent in Steuben and Schuyler Counties is below the national median, while Chemung County is only ten percent above. All three compare very favorably to nearly all large metropolitan areas.
- Despite the overall affordability in the market, there is still a heavy housing cost burden for many households, especially for those earning below \$35,000 annually. It is important to note that many of these households are headed by persons working in many of the occupations currently experiencing shortages. They also include retirees.
- High real estate taxes have been raised as an issue of concern for the local housing market. The taxes in the three counties are among the top ten percent of counties in the country, though it is not truly fair to make a direct comparison when households will receive different benefits from the taxes they pay. Even with high property taxes, the overall housing cost in the three counties is lower than most other urban areas in the country.
- This study projects growth in the population and number of households in the three counties over the next decade. The projections differ from those prepared by Cornell University by only 0.3 percent up to age 75, but show significantly greater growth among older residents as the Baby Boom Generation ages and is more likely than prior generations to remain in the community, instead of moving south.
- More people are moving out of the three counties than are moving in, but there is net positive migration from some surprising places, such as coastal Florida and counties in Arizona. Most migration is within the state.
- The region appears to be attracting younger households between the ages of 25 and 35, which would be consistent with skilled workers and professionals attracted to work at area companies. There is a loss of households headed by workers between 45 and 55, which may be attributed to moves out of the area to pursue new work opportunities.

PLACE DYNAMICS LLC RECOMMENDATIONS

- Market the region's competitive strengths, especially in regard to employee recruitment. Although it has limited supply, the market is very affordable. Home buyers who want acreage will find the area very appealing. There is also the possibility of buying in the amenity-rich Finger Lakes, which may become more attractive with an increase in remote work. The location is also favorable when a spouse may find employment in Ithaca or other urban centers in the region.
- Incentivize new housing construction.
- Single family homes
- Townhomes and condominiums
- Upscale apartments
- Senior housing
- Create incentives for homeowner and rental housing renovation
- Expand broadband and cellular coverage in rural parts of the region. Broadband is an essential utility even when not needed to enable remote work. Places where it is not available will not be considered by most homebuyers, negating the advantage the area has in offering properties with acreage. In addition to broadband, some parts of the region do not have reliable cell phone coverage. This is equally necessary and should be addressed at the same time as internet access.

INDUSTRY / SUPPLY CHAIN ANALYSIS

SOUTHERN TIER CENTRAL REGION

STC SUMMARY

In the current economic circumstances, some businesses are more likely to thrive and generate long term economic benefits for the community than other types of businesses. Dozens of currently operational businesses in the three-county area could rapidly expand operations to profit from untapped supply-chain opportunities. Economic development organizations should prioritize promoting expansions and diversifications based on the 2022 supply-chain analysis. Expansion of services, supplies, materials, equipment, facilities improvements, staff, and training would be highly beneficial to the following industries: animal production, administrative management, general management consulting services, machine shops, and activities relates to internet publishing, hosting, and data processing. Business development should focus on value-added services or location-limited services or location-limited production.

PLACE DYNAMICS FINDINGS

The Southern Tier Central Region's economy tells a complex story. There are certainly some points of concern in the loss of high-wage manufacturing jobs over time. Even so, manufacturing earnings and gross regional product have risen over time, suggesting that there have been productivity gains that make the remaining industries more competitive. There has also been significant strengthening of the agricultural value chain, an ecosystem encompassing agriculture, manufacturing, and tourism, which needs to be recognized as a tremendous growth opportunity for the region.

This analysis examines industry change over time, and describes the process of change in Chemung, Schuyler, and Steuben Counties. It delves further into the manufacturing sector to examine the supply chain for the region's traded industries. That analysis finds few opportunities for new business development, as the amount of imported goods and services does not support new business facilities in most supply chain industries.

- Manufacturing is becoming increasingly concentrated in counties located in large metropolitan areas. This trend has been noted since the early 2000's as concerns about labor availability have driven the site selection process. Schuyler and Steuben Counties have performed better than their peers, adding manufacturers while the average county saw a loss. Chemung County had a loss of establishments greater than its peer counties.
- Economic development trends over the same period have included a diversification of recruitment or business development targets to include logistics facilities along with business, financial, and professional services, and increased interest in approaches such as entrepreneurship and quality-of-place strategies.
- The Covid Pandemic has caused stress on some local businesses, in all sectors of the economy. This can be seen in manufacturing as a drop in earnings and gross regional product. Emerging research has begun to identify barriers and the strategies businesses have used to cope, which can be built into plans for the area's recovery. Successful business strategies have included retrenchment, strategic alliances, product and service evolution, and information technology adoption.
- The past two decades have seen a significant decline in manufacturing employment, and many of the declining industries are among the region's traded industries (producing products or services for consumption outside of the region). Growing industries are serving a mostly local market.
- Following a surge in the first decade of the 2000's, the number of one-person businesses has fallen back to its level at the turn of the millennium. There are fewer large establishments with more than 500 employees, while there have been increases among those with five to 250 employees.
- While most places demonstrate a regular pattern of employment and establishment growth and/or decline through one or two causes, this is not the case for Chemung, Schuyler, and Steuben Counties. Startups, attraction, and expansion trade places in relative contributions to growth, while the same is true of contractions or closures. Locally-owned and branch establishments are similar in their patterns.
- The three counties are producing an average of about 13 fast-growing establishments every year. Just under half of these are in health care and social assistance, retail trade, manufacturing, and professional, scientific, and

technical services. A significant number of them have ties to the region's agricultural sector, in agricultural production, related manufacturing and distribution, and support service or consulting roles.

- The region's traded industries have a supply chain with inputs from 25 industries. Although a significant share of these inputs are sourced outside of the region, the volume is often too small, or the service so specialized as to make it unlikely to attract new establishments based solely on demand that is not met locally. The industries most viable as targets for expansion include animal production, administrative management and general management consulting services, machine shops, and activities related to internet publishing, hosting, and data processing.
- The agricultural value chain is a rapidly-growing ecosystem that includes agriculture, processing, distribution, and sales supported by a vibrant tourist economy. Businesses in the ecosystem, such as in the wine industry, have reached a pivotal point where they are migrating from a direct-to-consumer model (through tasting room and wine club sales) to distribute to a national or global market. While these businesses are scaling production, there is also a very large startup market, with more than 200 producers licensed under the state's restrictive cottage food (home producer) law.

PLACE DYNAMICS RECOMMENDATIONS

- The pandemic had a significant impact on some of the area's businesses. Recovery planning should recognize the barriers and successful strategies outlined in the analysis to build a recovery and resilience framework for the region, so that government, economic development, and other partners have the resources and flexibility to help the business community respond to future crises.
- The agricultural sector is an overlooked opportunity within the region. It has ties to many aspects of the economy, from agriculture and manufacturing through distribution and tourism, while contributing to a quality of life and positive image that helps attract new residents, workers, and investors. Initiatives for this sector can encourage agricultural diversification, assist in processing from the earliest stages of product development through scaling small operations, and promote the region and its products so as to develop a positive brand reputation. There are many potential partners among neighboring counties, higher education, tourism promotion organizations, businesses, and business associations.
- Economic development can prioritize entrepreneurial or small business development, along with business retention and expansion. These activities support business attraction in that most of the significant new businesses brought to the area will have ties to existing businesses.
- Quality-of-place economic development has proven its effectiveness in places like downtown Corning and communities in the Finger Lakes. Greater effort is needed in many of the smaller communities across the region. A highly-desirable quality of life will make the region more appealing to prospective workers and to those able to work remotely, whether for an employer or in their own business. Many of these efforts are closely tied to tourism, which supports diverse attractions and businesses such as restaurants that contribute to the area's appeal, creates a market for emerging businesses in the agricultural value chain, and is the primary means through which people become familiar with the region.

OFFICE / INDUSTRIAL MARKET ANALYSIS

SOUTHERN TIER CENTRAL REGION – CHEMUNG, SCHUYLER, AND STEUBEN COUNTIES, NEW YORK

STC SUMMARY

Coordinated action among property owners, local governments, and economic development organizations will be necessary to ensure appropriate development for the future of the community. Prompt re-use of existing space and continuous occupation of space will provide a 'floor' for local real estate process and prevent structural deterioration of potentially vacant space. Planned demolition of un-useable spaces will improve the market price for the remaining structures. Vacant sites available after demotion (and possible remediation) will eventually have some value for a productive re-use. A region-wide focus on improving the appearance of office/ industrial space could be beneficial. Promoting appropriate in-fill development to densify land use will benefit the community.

PLACE DYNAMICS FINDINGS

Little net change is expected in the next decade in either the industrial or office sectors within Chemung, Schuyler, and Steuben Counties. Employment in these sectors is projected to remain at current levels, while the decades-long trend in startups or business attraction has produced few significant users of industrial or office space. Most demand is being generated by existing businesses, either through space built to suit, additions to existing facilities, or moves within the area. The available inventory of industrial, and especially office space is far in excess of what can possibly be absorbed at the pace the economy has consistently been changing. It is probably true to say that space is being vacated at a pace similar to that being occupied. In this scenario, the owners of less competitive properties should be considering redevelopment to other uses, and municipal leaders should be planning to encourage this transition.

- Both national and local factors weigh in result in slow demand for industrial and office space within the Southern Tier Central region. Most demand will originate with existing businesses or startups, and much of it could better be called a realignment of space, with little net change in occupancy.
- There is a strong national demand for logistics space, while manufacturing has made up only six or seven percent of the industrial market in the last two years. The study area's location does not favor it as a logistics site except for the potential to warehouse inventory held in reserve.
- While some manufacturing sector reshoring is anticipated, these establishments will not be seeking small city and rural locations. Along with a general preference for southern states, manufacturing has favored metropolitan area sites with access to large labor pools since the early 2000's.
- The Southern Tier Central region is anticipated to see no growth in employment within sectors typically requiring industrial property. This does not indicate a stagnant industrial economy, as some sectors continue to grow while others contract, and automation continues to replace the need for workers.
- Business attraction has resulted in recruitment of an average of about one industrial sector company per year with at least 20 employees, while two or three startups per year grow to have at least ten employees. Many are opting to construct their own facility, and about a quarter are in food processing.
- Fourteen industrial properties listed in the three counties offer a total of 335,835 square feet, most between 4,000 and 30,000 square feet. It is predominantly Class B space, but suitable for the kinds of businesses that have been seeking existing space in the region.
- Industrial land is available in the three counties, but may be priced higher than some similar communities with which the region will compete for investment.
- The region can anticipate limited demand for industrial space, with older and less-suitable properties remaining vacant for an extended period. Some of this space would normally function as small-area storage, but the use of a 75,000 square foot anchor store at Arnot Mall, for this purpose, depresses the market for small industrial buildings.

- National demand for office space has been negative for nine consecutive quarters. Coming out of the pandemic, remote work is expected to be more common, even if in a hybrid format. This could further weaken long-term demand as companies reconfigure their office footprint.
- Many companies sent office workers home during the pandemic. At the end of 2021, about three-quarters of pre-pandemic foot traffic had returned to a sample of employment locations in Chemung and Steuben Counties. Fewer trips to the office translate into changes in demand for many retail and dining businesses, and where people may choose to live, in addition to office demand.
- The number of office jobs located in Chemung, Schuyler, and Steuben Counties declined by nearly 3,000 in the decade through 2021. The number is expected to remain more or less stable over the next decade, with the loss of fewer than 100 jobs. Without growth, there will be no net change in demand, even while there is a shuffling of vacancies as businesses open, close, grow, or contract their office workforce.
- The market has 311,578 square feet of vacant office space, not including retail commercial buildings that might be used for offices, or commercial buildings that are not listed. As an example, the downtowns of most area communities have vacant buildings or upper floors that are not on the market. Both lease and purchase prices are comparable with similar communities and below national averages.
- Limited demand will lead to continued high levels of office vacancy, with lease and purchase activity favoring the better-quality properties on the market

PLACE DYNAMICS RECOMMENDATIONS

- The region has an excess of office space. The solution to this dilemma is to remove under-performing properties from the inventory through redevelopment. Municipalities can enable adaptive reuse or redevelopment by targeting poorly-performing downtowns and commercial districts, conducting the research and planning to guide property owners and developers, and putting in place incentives to encourage new investment.
- Growth in remote work or hybrid work scenarios will impact the design and need for office space. If significant numbers of employees are spending their workday away from the office, there will be implications for nearby businesses or businesses patronized by commuters, such as restaurants and gas stations. New opportunities may arise closer to residential neighborhoods. An annual survey should be implemented to monitor the trend, reaching out to employers and to the kinds of businesses relying on traffic from office workers, to monitor this issue and identify concerns that may be addressed through economic development programming.
- The region has a narrow opportunity in the rapidly-growing logistics sector. Large industrial buildings or land can be marketed to regional manufacturers, retail chains, and wholesalers as sites to store reserve inventory. Both state and national governments should be monitored for expected initiatives to stockpile critical materials for both national defense and emergency preparedness.
- Arnot Mall's failure is disrupting other real estate sectors. Converting 75,000 square feet of floor area to small-area storage has depressed a market normally filled by smaller Class B and C industrial buildings, contributing to their extended vacancy. The mall appears to have outlived its life as a retail commercial center. Redevelopment might contemplate a combination of retail, hospitality, multifamily, and perhaps industrial uses. The former anchor stores may have value as larger warehouse space.
- With startup and exiting businesses generating the most demand for industrial real estate, local and regional economic development programs should examine ways in which they can identify and proactively support businesses and industry sectors likely to grow.

COMMERCIAL MARKET ANALYSIS

SOUTHERN TIER CENTRAL REGION – CHEMUNG, SCHUYLER, AND STEUBEN COUNTIES, NEW YORK

STC SUMMARY:

Commercial space represents is an important ‘core’ for the communities in our region. In light of expected inflation throughout 2023 and potential recession; it is difficult to make projections for the successful re-use of commercial space at this time.

PLACE DYNAMICS FINDINGS

Demographics and industry changes threaten the continued vitality of many of the region’s commercial districts, especially at the neighborhood level. As the population ages and continues to decline, and more spending shifts online and to large chains, it will become increasingly difficult for some businesses to compete. Even among service and small office uses, the growing trend for home-based businesses will result in less demand for space in neighborhood strips. These impacts are typically felt at the local level and progress up. Many small communities and neighborhood commercial districts will not be able to support a diverse business mix, and as stores, restaurants, and offices close they will leave behind buildings for which there is no longer much demand.

These changes are already visible in many places, in neighborhood commercial districts like Morris Street (Bath) or Victory Highway (Coopers Plain), and even in the regional center on Chambers Road in Big Flats, where Arnot Mall has attained the status of a failed mall. Despite this, some commercial districts continue to have growth opportunities. The regional center at Big Flats will attract other retail chains and these could be part of a redevelopment of the Arnot Mall. Four destination districts benefit from tourism that brings in a large number of higher-income visitors, and is a growing market opportunity. The downtowns of Addison and Horseheads have the ability to exploit unique opportunities, while the same realignment that causes some neighborhood commercial districts to fail, will see business concentrate in others.

The commercial sector is important to the region. Economically, it not only creates business and employment opportunities, but also contributes to creating a quality of life that is attractive to residents and potential workers who may be attracted to work at area companies. Access to diverse shopping and dining is ranked among the most important considerations when people choose where to live. Retail and dining are also an important source of local government income through sales taxes. Both Chemung and Steuben Counties achieve sales in excess of the spending generated from county residents.

PLACE DYNAMICS RECOMMENDATIONS

The region’s commercial sector is transitioning and the results will be mixed across the region. The changes – some already in place and other in progress – can be influenced by local governments and economic development agencies. There is a role at both the local and regional level. Some of the actions that may be taken are specific to a district. Others cross many areas and the infrastructure to carry them out can best be created as a county-wide or regional initiative.

- Building façade improvements. A building’s appearance can affect its value, marketability, success of the business inside, and image of a district. Several of the region’s traditional neighborhood business districts or downtowns have buildings that are not well maintained or have been modified in the past, closing windows, modifying storefronts, and introducing inferior materials that make them unappealing. Façade renovation is a typical component of revitalization, recreating storefront patterns that contribute to a better aesthetic and improved image of the district. Façade renovation programs often include funding for design assistance and construction, and are implemented at the municipal level.
- Infill and redevelopment. Several districts have properties, whether bare ground, surface parking lots, or obsolete structures, that can be redeveloped, these range from small lots in village centers to the Arnot Mall. Planning is the first step, and has been done for only a small number of sites. Planning should identify priority redevelopment sites, markets for reuse, and concepts for redevelopment. Implementation can be done entirely within the private sector,

with financial and technical assistance, as a public-private partnership, or through a government-initiated process that might entail property acquisition, site preparation, and developer recruitment.

- Streetscape or public space enhancements. Many communities invest more than is necessary in improvements to the public streetscape. Function should be the primary driver of improvements in most districts, prioritizing issues of pedestrian safety, navigation or wayfinding, and use of the sidewalk as an extension of the storefront through outdoor displays or sidewalk dining. There are unique needs for two districts.
- Downtown Addison has the potential to use space between buildings on the west side of Main Street, and the Canisteo River, to create a public-private gathering space supporting dining and entertainment businesses that could locate in t
- Conversion of commercial space to office, industrial, or warehouse uses. Some of the region's commercial districts will no longer support the number and diversity of commercial businesses that may have been there in the past. Some, such as Morris Street in Bath or Victory Highway in Coopers Plain, have large buildings for which there are very few potential commercial tenants. These areas might be redeveloped with other uses to reduce the amount of commercial land for which there is no demand.
- Residential or mixed use development. The region has a critical need for new housing including high-end apartments, and owned townhomes and condominiums for first-time buyer and seniors, up through luxury units. Several o the area's commercial districts can help to meet the need. This can be within existing buildings, especially where the upper levels of commercial buildings can be converted to units with desirable features like high ceilings, exposed brick walls, and wood floors. It can also be through new residential or mixed use construction.
- Lodging development. This is a niche opportunity potentially available in Big Flats or the tourist-oriented districts of Hammondsport, Montour Falls, and Watkins Glen. Opportunities can include typical upper midscale branded hotels or smaller products like boutique hotels, inns, and even upper level short-term rentals in downtown Montour Falls.
- Highway-oriented or convenience development. A handful of districts are located along Interstate highways and demonstrate a potential to attract highway-oriented uses like fast food restaurants and gas stations with convenience stores, or potentially truck stops. This can be a focus of planning and economic development, with the goal of capturing increased spending from outside of the county.
- Eating, drinking, and entertainment focus within the district. A few districts have a concentration of independent restaurants, bars, and nightclubs (or the potential to) that create a draw within their market. Places with this concentration include the downtown of Corning, Hammondsport, and Watkins Glen, and Main Street in Horseheads. The downtowns of Addison, Elmira, and Montour Falls can grow this concentration. At a regional level, it would be possible to create a program to help prospective restaurant startups through the planning, launch, and early growth phases of their ventures. Such as program would directly respond to Covid-related impacts to the industry and would be beneficial to commercial districts throughout the area. At a local level, communities including the seven targeted districts can evaluate regulations and create programs to assist fledgling restaurants as well as existing ones in their districts.
- Recreational development within the district. Recreation can take many forms. On Victory Highway, one suggested option for the former Ames Plaza is to attract an indoor sports complex. At Chambers Road, it would be worth studying the feasibility of an indoor waterpark, perhaps as a component of redeveloping the Arnot Mall. Other districts can capitalize on outdoor recreation assets like bike trails or waterfront activities. A number of communities around the country have used their rivers to create whitewater parks for kayaking and wave riding. It would be interesting to investigate this potential in the region, in locations where it can benefit a downtown or other business district.
- Chain business recruitment. Some districts are made up almost entirely of chain businesses, while others do not have the market to attract more than a few, and other districts will be better off with only independent businesses. The region's regional and community districts have the greatest potential for chain business recruitment, while there are limited opportunities elsewhere. This is an initiative best conducted at a regional level, in partnership with property owners and brokers.
- Independent business development. Nearly all neighborhood and destination districts will benefit from programs to foster new business starts and strengthen existing businesses in the retail and dining sectors. These programs require

technical assistance providers with specialized knowledge to help these businesses in areas such as business management, human resources, merchandise or menu planning, store or restaurant design, technology, online selling, marketing, and similar topics. A formal program and “as needed” training and assistance could be provided. A typical program has intensive modules for different business phases such as planning, launching, and the first year or two of operation. These programs should be developed at a regional level.

- District management and revitalization program. Downtown Corning and downtown Elmira currently have business district management programs. These are effective tools for coordinating the actions of business and property owners, and local government, to bring about revitalization and promote the common interests of district stakeholders. These organizations can play many roles including economic development, real estate development, marketing, event planning, and management of functions like parking, safety, and visitor services. They also require significant resources to implement successfully, which is one reason there are no comparable programs in the areas smaller communities. Providing the services of a downtown organization can be a regional effort, though, and there are a growing number of examples of small communities banding together to create an organization serving multiple districts. This approach could be effective within the three counties.
 - ◻ District marketing campaign. A few districts will benefit from marketing campaigns designed to drive more traffic to the district. The four destination districts will have a focus on tourism marketing, and all are already marketing to some extent. Both Hammondspport and Montour Falls can utilize more effective approaches like their larger counterparts. In the downtowns of Addison and Elmira, and on Main Street in Horseheads, the campaigns should seek to develop a brand for the districts, hand-in-hand with development that grows the kinds of retail and dining businesses these districts should be able to support.

SUMMARY MATRIX OF COMMERCIAL DISTRICTS AND POTENTIAL STRATEGIES	COMMUNITY	TYPE	EXISTING TREND/THREATS	Building façade improvements	Infill and redevelopment	Streetscape or public enhancements	District management/revitalization	District marketing campaign	Eating/ drinking/ entertainment	Residential or mixed use development	Lodging development	Highway/convenience development	Recreation development	Chain business recruitment	Conversion to non-commercial uses	Independent business development
Chambers Road/ Arnot Mall	Big Flats	Regional	↔		X						X		X	X	X	
Route 21	Hornell	Community	↔							X		X		X	X	
Hamilton Street	Gang Mills	Community	↑		X									X		
Franklin Street	Watkins Glen	Community	↑		X	X					X	X		X		X
Bridge Street	Corning	Neighborhood	↔		X					X						X
Cedar Street	Elmira	Neighborhood	↔		X									X		
Chemung Street	H-heads	Neighborhood	↔		X							X		X		
Clemens Center Parkway	Elmira	Neighborhood	↔		X									X		
Downtown Addison	Addison	Neighborhood	↑		X	X	X	X	X	X			X			X
Downtown Bath	Bath	Neighborhood	↓	X	X	X	X	X	X	X						X
Downtown Elmira	Elmira	Neighborhood	↓	X	X	X	X	X	X	X						X
Downtown Elmira Heights	Elm. Heights	Neighborhood	↔	X		X										X
Downtown Hornell	Hornell	Neighborhood	↔				X									X
Downtown Wayland	Wayland	Neighborhood	↓													X
Main Street	H-heads	Neighborhood	↔					X	X							X
Morris Street	Bath	Neighborhood	↓									X		X	X	
Park Avenue	South Corning	Neighborhood	↔		X					X						X
Pulteney Street	Corning	Neighborhood	↑		X					X		X		X		
South Main Street	Elmira	Neighborhood	↓		X					X				X		X
Victory Highway	Coopers Plains	Neighborhood	↓		X					X		X	X	X		
Downtown Corning	Corning	Destination	↓		X		X	X	X	X						X
Downtown Hammondspport	H. port	Destination	↑		X	X	X	X	X		X					X
Downtown Montour Falls	M. Falls	Destination	↔	X	X	X	X	X	X	X	X		X			X
Downtown Watkins Glen	Watkins Glen	Destination	↑		X		X	X	X		X					X

GUIDE TO USING STC'S CARES ACT RESEARCH REPORTS SYNERGISTICALLY

Using these reports together can facilitate a greater understanding of the region's problems and the potential solutions. The purpose of these bundled reports is to provide actionable intelligence for many types of actors in the local economy: business owners, governments, employees, employers, individuals in training, and buyers/builders in the residential real estate market. Grant writers can use this matrix to identify relevant planning documents, then reference the goals and strategies in these resources in their grant narrative. Utilize the matrix by reading down the first column to find your use case. Then check the corresponding row of the matrix to identify the resources highlighted in green which could be of value for your use case. Read any/all of the highlighted materials at your own pace.

Use Case/ Resource	Supply Chain Analysis	Workforce Analysis	Housing Analysis	Office-Industrial Real Estate Analysis	Commercial Real Estate Analysis	Child Care Analysis	Comprehensive Economic Development Strategy 2020	2022 CEDS Update	Southern Tier REDC 2022 Progress Report	Comp. Plan for your community
I want to grow my garage/home office business to something larger	Page 5 Page 14	Page 31								✓
I would like to expand my business	Page 12	Page 31		Page 8 Page 12	Page 11	Pg. 4	Page 12		Page 10	✓
I would like to partner with other companies for (training/marketing/ recruiting/ purchasing)	Page 19	Page 4								
I want to make improvements on my home			Page 20							✓
I would like to add an Accessory Dwelling Unit			Page 24							✓
I would like to discuss Residential Zoning with my elected representatives			Pg. 1-4				Page 8			✓
I have a retail business idea		Page 31			Page 18					✓
I have a co-op business idea	Page 23			Page 1	Page 18	Pg. 4	Page 4			✓
I have a service business idea	Page 5	Page 31		Page 9						✓
I have a manufacturing business idea	Page 22	Page 38		Page 14			Page 4	Pg. 5	Page 10	✓
I would like to partner with schools to help the youth become workforce ready		Page 40					Page 12		Page 16	

Use Case/ Resource	Supply Chain Analysis	Workforce Analysis	Housing Analysis	Office-Industrial Real Estate Analysis	Commercial Real Estate Analysis	Child Care Analysis	Comprehensive Economic Development Strategy 2020	2022 CEDS Update	Southern Tier REDC Plans	Comp. plan for your community
My business is having difficulties attracting/retaining employees		Page 44	Page 10			Pg. 3		Pg. 11	Page 16	✓
Many of my employees will retire in the next 5 years		Page 25	Page 10					Pg. 10		
Employee difficulties with childcare are impacting business		Page 43				Pg. 10		Pg. 12		
Someone wants to start a childcare in my community						Pg. 4				
I am considering starting a childcare		Page 3		Page 9	Page 31	Pg. 4				
My business may decide to alter shifts or add a 3 rd shift		Page 31				Pg. 8		Pg. 11		
My business may need to remodel or re-fit a space				Page 1	Page 1		Page 4		Page 29	✓
Considering a multi-use renovation to diversify risk			Page 3	Page 1	Page 1		Page 8	Pg. 4		✓
Supply/input prices are fluctuating wildly	Page 19	Page 28						Pg. 16		
Decide which job training opportunities are best for students/learners		Page 5					Page 12	Pg. 10	Page 16	
Taxes keep rising in my community			Page 27		Page 12					✓
Opportunities vary between towns...			Page 2	Page 3	Pg. 31-84	Pg. 4	Page 14	Pg. 2	Page 27	✓