

# Downtown Elmira, New York



## ***Investment Prospectus*** ***For*** ***Transformational*** ***Projects***

December 2020

# City of Elmira Downtown Revitalization Investment Prospectus for Transformational Projects

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# City of Elmira Poised for Revitalization

## Ingredients for Success



Elmira is in the heart of a region recognized as a destination for healthcare education, technology and innovation, advanced manufacturing, and quality of life. It is distinguished by its concentration of multi-national anchor companies, nationally recognized healthcare systems, advanced infrastructure to support innovation and technology, rich educational and research resources, a specialized and skilled workforce, and communities focused on enhancing their vibrancy.

Elmira's downtown has intrinsic cultural significance, and for decades has defined itself by its historic and cultural assets, recreation and entertainment, and opportunities for participation in civic activities. In today's economy, Elmira's downtown size, value, proximity, density, diversity, mixed-use nature, historic beauty, and geographic location have become its most powerful resiliency assets.

There is evidence Elmira's downtown is regaining its vibrancy reflected in the increasing density of mixed-use projects, stable anchors, new businesses generating jobs, new medical school, and young and professional talent becoming new residents. Another important element of Elmira's downtown value proposition is its commitment to diversity, inclusivity, and open-mindedness to investment. Together, these assets will continue to contribute to Elmira's long-term positioning as a balanced and authentic community with strong potential for economic growth.

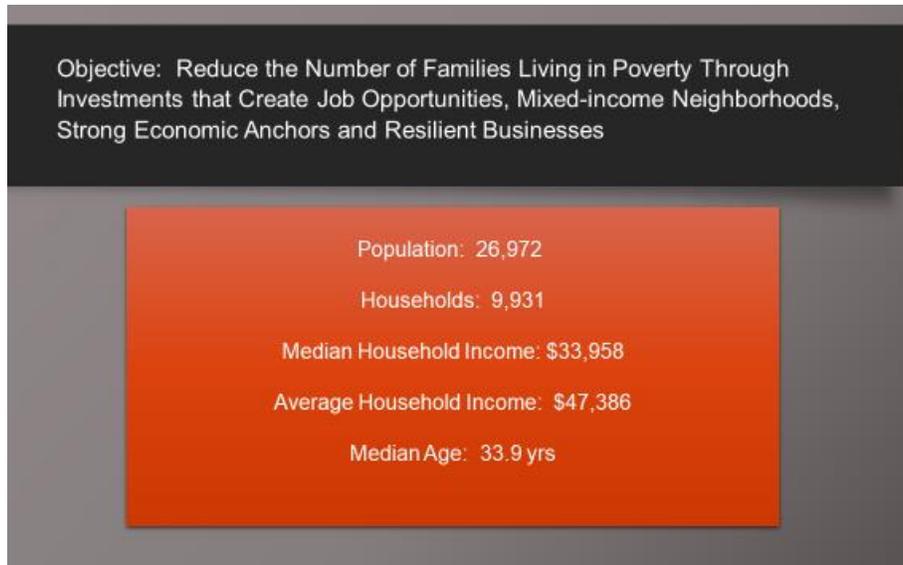
The ongoing revitalization of Elmira's downtown is necessary for the region's industry leaders to continue their momentum, compete in the economies of the future economy and attract talent with a healthy economic, social, and civic ecosystem.

This investment prospectus demonstrates the value of Elmira's downtown development and provides strategies for targeted investments.

### ELMIRA HAS THE INGREDIENTS OF A SUCCESSFUL DOWNTOWN

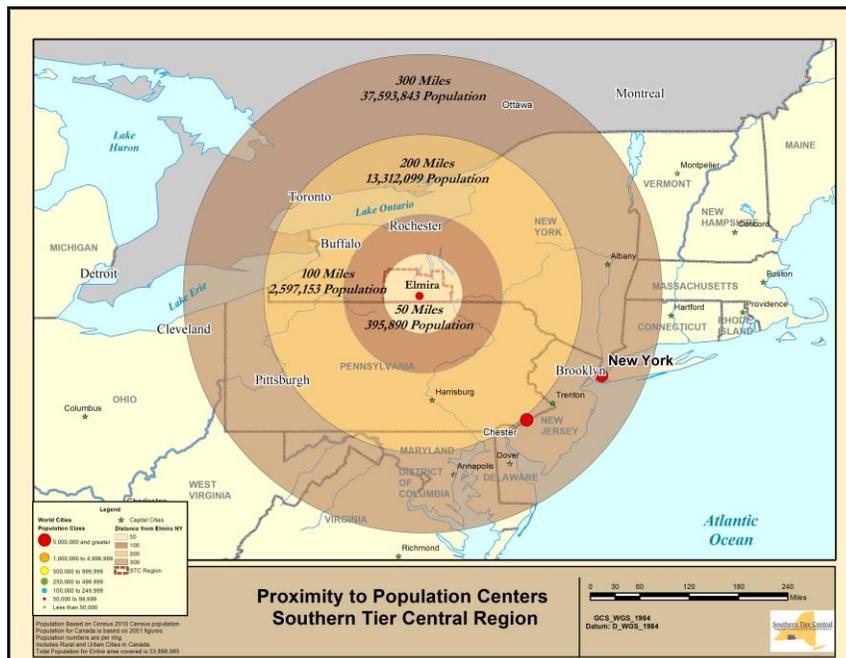
- Organizational structure optimizing how people, policies and investments work together to reach the goal of a vibrant downtown.
- Economic drivers including home to two major campuses of a regional healthcare system, financial institutions, manufacturing, a medical school and two colleges, and active investors.
- Basic and technology infrastructure upgrades.
- Streetscape enhancements.
- Recreation spaces.
- Mix of housing options, with an emphasis on urban style market rate housing attractive to persons with the resources to financially support and be active in the "neighborhood."
- Retail and commercial mix that supports the neighborhood and is sustainable.
- Public and private investment in the adaptive reuse of anchor buildings.
- Preservation and preservation of buildings with character and historic significance together with overall building façade improvements.
- Parking and pedestrian friendly environment.
- Culture and entertainment venues.

## The Community



## Location, Location, Location

Elmira is strategically located directly on an exit of a major highway corridor. Interstate 86 Interstate 86 provides easy east-west access to jobs for the regional workforce, as well as business markets and cultural destinations in New York City, Buffalo and Toronto within a four-hour drive. I-86 also provides connections to I-390 North to the New York State Thruway (I-90) and Rochester, I-81 North to I-90, Syracuse and Canada, I-81 South to Washington D.C., I-88 to Albany and Montreal, and the new I-99 to the Pennsylvania Turnpike and I-80.



The Elmira-Corning Regional Airport (ELM) serves a multi-county region and provides the service of three major airline carriers. The airport also is well positioned for expanded freight service.

The area also has significant freight rail assets in the Norfolk Southern, the New York Susquehanna and Western, Canadian Pacific (Delaware and Hudson) lines.

## Quality of Life in a Downtown Urban Setting

Downtowns are where future workforce wants to be and, when competition for talent is fierce, downtowns can be a differentiating factor in expanding business and attracting talent. As the national economy becomes increasingly digitized and connected, talented workers are choosing where to reside based on their preferred lifestyle and quality of place over employment opportunities.

Elmira recognizes the ability to attract and retain skilled and knowledgeable workers is a major challenge across the country, and it is committed to leveraging its downtown urban “vibe” with commercial, cultural, and civic activities setting as a draw. The city, particularly the downtown, is prepared to respond to talented workers who are looking for authentic and connected mixed-use environments with walkable access to services and amenities, vibrant downtowns, diverse housing options, and direct access to transit. Elmira also is committed to values such as protection of the environment, diversity, and social justice.

**Walkability:** Elmira is recognized as a very walkable downtown environment with its wide sidewalks and updated streetscape.

**Natural Beauty:** Elmira sits on the banks of the Chemung River, which is spanned by architecturally attractive and recently upgraded bridges.

**Urban Landscape:** Green spaces, large parks, trees, and flowers.

**Historic Setting and Iconic Landmarks:** The Historic District is home to many architecturally significant churches and buildings with unique facades undergoing repurposing. Elmira also is known for being the summer home of Mark Twain, where he wrote Tom Sawyer and other famous novels.

**Technology Infrastructure:** Elmira is known for its internet access, with a high level of gigabit internet connectivity at a low cost.

**Mass Transportation:** The county’s transit system, C TRAN, links Elmira with neighboring cities and counties.

**Access to Healthcare:** Arnot Health is an “urban” hospital system with a full scope of services with the Arnot Ogden Medical Center Campus and the St. Joseph campus located in downtown Elmira’s Opportunity Zone 7. AHI delivers high quality patient care, provides “safety net” services to residents in need, improves community health outcomes and serves as a vital element in the region’s emergency response plans.

**Access to Government Services:** As the seat of Chemung County government, Elmira residents have convenient access to municipal services.

**Downtown Arts and Entertainment:** The Clemens Center, a newly renovated 1,600-seat theatre, presents international performance artists covering a broad array of programs from Broadway musical tours, symphony orchestras, popular stars and musicians, children’s theater, national dance companies, and more. The popular Farmer’s Market and outdoor entertainment are regularly featured. First Arena provides seating for 3,700 spectators, and hosts events from entertainment and sport to trade and consumer shows.



## Affordability

Elmira is an affordable community with a cost-of-living index of 75%, as compared to New York State at 120 and Chemung County at 94.<sup>1</sup>

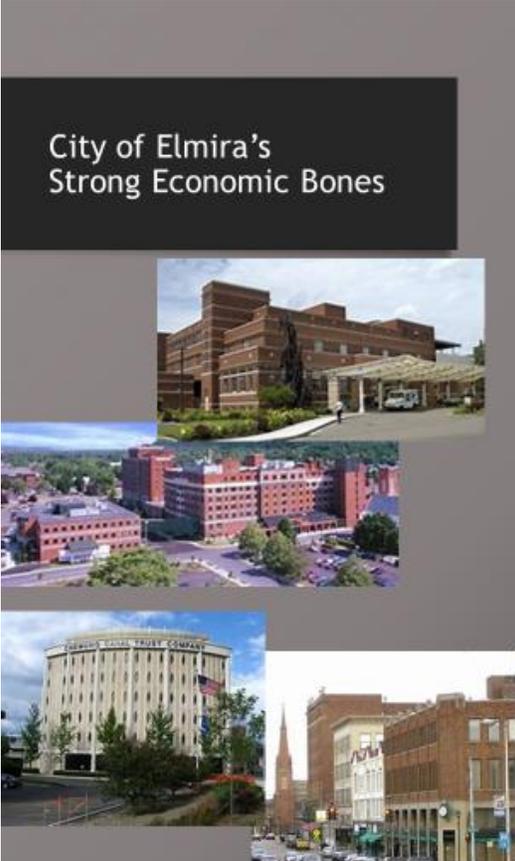
Elmira's 3<sup>rd</sup> quarter 2020 home value index is at \$101,876 according to Zillow, as compared to New York State at \$305,400 and the surrounding area at \$106,500.

Elmira also has been sited in a list of top 10 cities in the US, both big and small, as desirable because of its inexpensive housing and high level of gigabit internet connectivity at a low cost.

Cost of Living	Elmira	New York State	USA
Overall	74.6	120.5	100
Grocery	95.2	103.8	100
Health	102.9	105.8	100
Housing	32.1	132.1	100
Utilities	101.2	115.9	100
Transportation	77.7	140.7	100
Miscellaneous	99.3	101.6	100

## Strong Economic Bones for Continued Revitalization

Elmira has strong community and economic bones for continued investment in its revitalization. Its future is being built on cultural and business anchors, strong financial institutions, competitive real estate prices, accessibility to markets, and updated zoning.



### City of Elmira's Strong Economic Bones

- ✓ Affordable commercial real estate.
- ✓ Arnot Health, Inc., the largest employer, with two campuses in Elmira including Arnot Ogden Medical Center and the St. Joseph Campus in the downtown's Census Tract 7.
- ✓ Several businesses with long established roots including firms such as Hilliard Corporation, Kennedy Valve, and Hardinge, Inc., LaFrance Equipment Corporation, and FM Howell.
- ✓ Financial institutions with major offices in the downtown including Chemung Canal Bank, Elmira Savings Bank, and Community Bank.
- ✓ Accessibility to national markets and regional workforce with its location at I86.
- ✓ Investments in education facilities including Elmira College's Health Sciences Center combined with Arnot Ogden's Residency program through its affiliation with the Lake Erie College of Osteopathic Medicine (LECOM) creating demand for market rate housing, restaurants, entertainment and service-oriented businesses.

<sup>1</sup> JobsEQ3. C2ER, data as of 2019q4.

## Downtown Renaissance Underway

Until 2010, Elmira had faced decades of disinvestment due to manufacturing decline. Since then, more than \$150 million of development has been invested into the City. These public and private investments have made a significant impact on the City's housing and economic development environment.



The city has successfully leveraged private investment with federal and New York State grant funding from the Downtown Revitalization Initiative, Community Development Block Grant, HOME, New York Main Street, Upstate Revitalization Initiative, Restore NY grants, and Empire State Poverty Reduction Initiative.

Using these resources Elmira has focused on development strategies that include a mix of land uses, compact design, walkability, diverse housing options, and reuse of existing infrastructure and buildings. These smart growth approaches to development were a natural fit for Elmira with its existing infrastructure, available building stock, and infill opportunities. The result has been success with catalytic projects and investments in housing, healthcare, higher education, infrastructure, streetscape enhancements, adaptive re-use of buildings, mixed-use developments, arts and culture, and the manufacturing sector.



Several million recently have been invested in street upgrades, roundabouts, bridges and broadband; and plans are underway to upgrade the water lines.

Examples include:



Southern Tier Network downtown broadband project.

\$1.2 million project using National Highway System (NHS) funded the West Water Street upgrades.

Main Street Bridge rehabilitation project utilized \$1.4 million in Federal Highway System funding.

North Main Street Cultural Corridor, a \$4.2 million federally funded project, was construction in 2018-2019.

Main Street Scape-Roundabout.

In addition, the Chemung River Development and Lake Street Pedestrian Bridge Renovation is underway.

## Local and Regional Economic Ecosystem: An Environment for Investment

### Drivers of Economic Impact and Continued Investment in Elmira's Future

#### Arnot Health, Inc.

Since the late 1990s, health care spending nation-wide has increased at a faster rate of growth than has gross domestic product (GDP), inflation, and population at both the national and local regional levels. Arnot Health is no exception in terms of its economic “ripple effects” on the City of Elmira and surrounding region. It is a regional leader in the healthcare industry cluster and has the most significant economic impact among all employers in the Elmira area and Chemung County.



Arnot Health, Inc. is the largest employer with a workforce of 3,900, including 750 nurses and 137 providers spanning 50 specialties. It is among the top ten employers in the Southern Tier's 8-county region, second only to Corning Incorporated in the 3-county service region. And the AHI hospitals represent more than 12,000 or two-thirds of the nearly 18,000 annual patient discharges made by the six hospitals in the three-county service area. In 2019, AHI employees and physicians provided nearly 5.8 million hours of service to the region, treated 49,000 people in its emergency departments, admitted 13,000 people to its hospitals, provided 373,000 outpatient visits, and delivered 1,300 babies.

Arnot Health's total annual expenditure for salaries, wages and benefits is \$257,245,000, with an average annual wage of \$70,122 in 2020. Its overall economic impact on Elmira and Chemung County is \$622,454,997 (in 2020 dollars). The direct economic impact is \$419,642,286 and the indirect economic impact in support of area businesses is \$116,399,530. The induced impact is \$86,413,175; that is, from AHI employees and supporting business spending in Chemung County's economy. There also is a value-add impact of \$12.1 million in terms of total taxes paid on employee wages and benefits and an estimated \$21.1 million in profits of businesses in the region. In addition, there is approximately \$32 million indirect impact on New York State and local taxes, \$8.9 million on Chemung County taxes, \$2.3 million on local municipality taxes, \$15.4 million on school districts and other special districts, and \$15.4 million on New York State taxes.

#### Lake Erie College of Osteopathic Medicine (LECOM at Elmira)

The Lake Erie College of Osteopathic Medicine (LECOM) at Elmira is a 450-student medical school in the City of Elmira. Construction on the \$20 million, 49,000 square-foot state-of-the-art academic complex began in 2019 and the first class was admitted the following year. As a result, the area will see an influx of health care practitioners in the coming decades, filling a void for the medically underserved in western New York State.



During the school's initial start-up period, LECOM at Elmira is expected to have a direct and indirect economic benefit on the region of \$60.4 million, as well as create more than 300 jobs and add \$1.7 million in taxes to local communities. By 2028, when the first class of medical students completes their residencies, the economic impact is expected to grow to \$78.9 million. Equally as important, Elmira will begin realizing the health care benefits and additional economic impact as these LECOM graduates located in the city.

## Economic Drivers in the Region

The Greater Elmira eco-system is a 20-mile radius, which includes Big Flats and Horseheads to the north, the Greater Corning area to the west, and the northern tier of Pennsylvania to the south. This ecosystem supports a population of approximately 150,000.

There are twenty-five anchor employers, 7,600 businesses and nearly 470,000 workers everyday within a 20-minute drive of Downtown Elmira. The local economy is closely tied to the economic prospects of the major employers in technology and innovation, healthcare, and advanced manufacturing industries.



### Technology and Innovation

Corning Incorporated, with its Worldwide Headquarters in Corning just 18 miles to the west of Elmira, is a global leader in technology and innovation. The company spends nearly \$1 billion each year on research and with its cutting-edge product innovation holds a global leadership position in several fields ranging from Automotive, to Display, Mobile Consumer Electronics, Life Sciences and Optical Communications. Corning Incorporated played a major role in the distribution of vaccines to fight COVID-19, with a Pfizer agreement to purchase vials made of Corning Valor® Glass. The U.S. government’s Biomedical Advanced Research and Development Authority (BARDA) granted Corning Incorporated \$204 million to ramp up manufacturing of the Valor vials at three of its U.S. facilities, including Big Flats located immediately to the northwest of Elmira.

### Healthcare Industry

Elmira recognizes good health as a critical asset to its economic base that requires investment because it is a quality of life factor impacting the retention and attraction of high wage jobs in other industries. The second largest contribution to the GDP in Elmira and Chemung County comes from Health Care and Social Assistance sector at \$480,852,000 (2019); and the healthcare industry is the largest sector employer in the region supporting more than 10,700 jobs. Arnot Health, based in Elmira, is a healthcare leader serving as a regional integrated healthcare delivery system. Guthrie Healthcare is based in Sayre, PA, approximately 20 miles east of Elmira and operates Corning Hospital located in the Town of Corning. In their efforts to actively recruit medical professionals and senior administrative leadership, both Arnot Health and Guthrie look to Elmira’s downtown revitalization as an asset for residential options.

### Advanced Manufacturing Industry

Of the industry sectors in the Elmira and Chemung County area, the manufacturing sector contributed the largest portion of GDP in 2019 at \$646,544,000. The Elmira area is recognized for its concentration of manufacturing and logistics companies including Hardinge, Hilliard Corporation, DePuy Synthes, Hardinge Inc, Kennedy Valve, Vulcraft, Anchor Glass, F.M. Howell, and Seneca Beverage. Many of these advanced manufacturing businesses are seeing a significant resurgence and making major investments in the area.

## Area Market Dynamics: Investments and Business Development Activities

### Business Growth

Many area businesses have been making significant investments. To mention just a few ... DeMet's Candy completed a 100,000 sq. ft. expansion in the Town of Big Flats, FedEx invested \$18M in a packaging distribution center at HOST in Horseheads, CemeCon Inc. created a national headquarters in Horseheads, EkoStinger opened a manufacturing facility in Big Flats, and Corelle Brands is investing \$50M in its "Factory of the Future" in the Corning area. In 2021 Hardinge, a leading international provider of advanced metal-cutting and material-cutting tool solutions and accessories, is shifting the manufacturing of its milling and turning machine center solutions from Taiwan to its plant in the City of Elmira. This is resulting in an increase of the workforce and investments in expanding and modernizing the Elmira facility, making it one of the most advanced precision tools manufacturing plants in the world.

### Infrastructure

Business investments have been supported by a recent extension of Airport Corporate Park South Access Road and the \$20 million project to construct the Host Business Park Connector Road in the Village of Horseheads. The Elmira-Corning Airport, located just 6 miles from downtown Elmira, is the busiest airport in the Southern Tier. The Elmira-Corning Regional Airport undertook \$61.5M in upgrades and expansion.



### Housing

During the past five years investments more than \$50 million has been made in new construction and repurposing of buildings in downtown Elmira to support 185 units of market rate housing, and by early 2021 the total new inventory will increase to 280 units of market rate housing.



A cornerstone project was the \$14.5 million One Water Street project built on a vacant site in the downtown core with 51 units. Another 114 units have been completed or are in the construction or final design phase. These include the former Mark Twain Hotel being renovated to support 100 units and the construction of 115 units of new apartments to house LECOM students.

In late 2020, Arbor Housing and Development completed renovation of a cluster of historic buildings on the Gerard Block of Lake Street that had been vacant for 40 years. The project includes 22 affordable apartments designed to house artists.



### Additional investments have been made in the surrounding region.

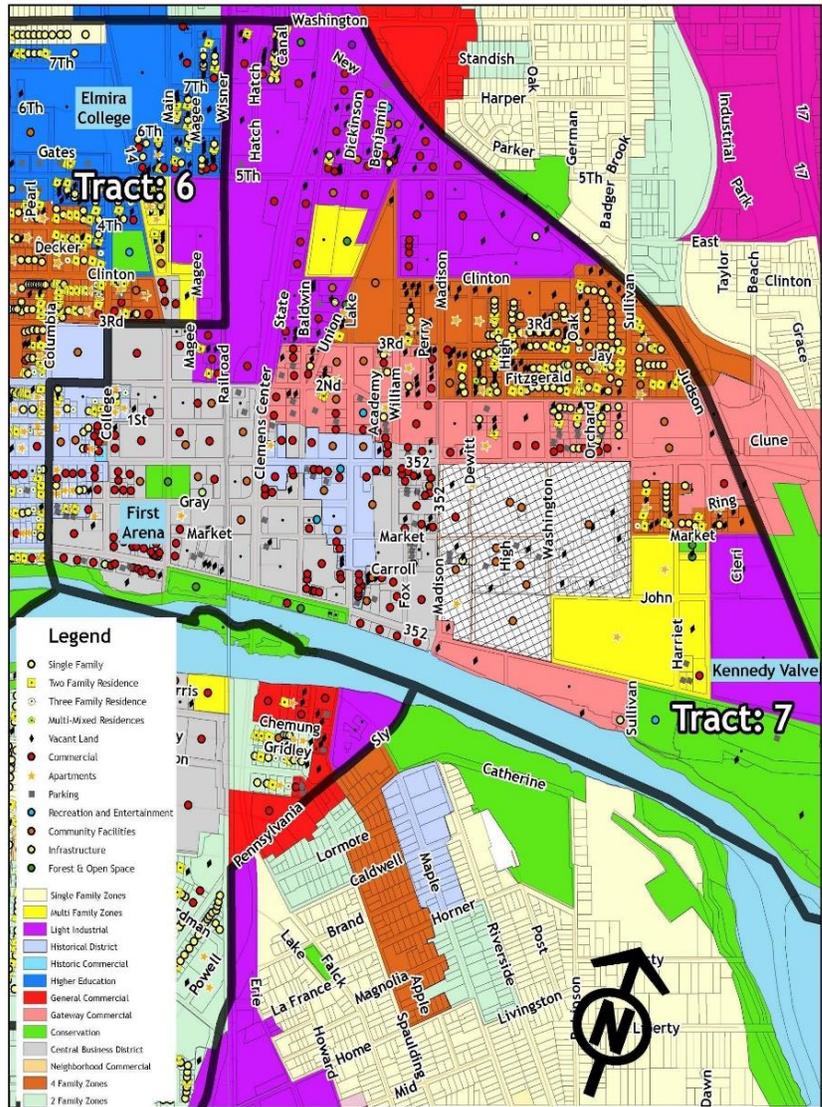
For example, during the past four years nearly \$1.48 million has been invested by the Corning Housing Partnership in housing revitalization in the City of Corning. In 2019-20 more than \$15.2M was invested in new market rate apartments constructed on the former Corning Hospital site. North Place is a new single-family housing development on the former N. Blodgett School site in neighborhood in Corning. In addition, new custom built single-family housing is being constructed in several subdivisions in Horseheads, Big Flats, and the Greater Corning area.

## Elmira's Census Tract 7: Target Area for Revitalization

Because of the downtown's productivity, every dollar invested has the potential to generate great returns. Therefore, Elmira's strategy during the next five years is to continue to grow its economy and tax base with a focus on targeted areas.

Elmira's Census Tract 7 is the primary target area, and it also is a designated Opportunity Zone. The boundaries include the downtown's Business Improvement District (BID) and the original area targeted for the \$10 million Downtown Revitalization Initiative (DRI).

The next phase of revitalization continues to include the BID, as well as the area bordered by Washington Street and State Street, between E. Church Street and E. Water Street. The known anchors in this next phase target area include the former Star-Gazette building and the St. Joseph Hospital campus.



Source: Chemung County Tax Assessors Office, City of Elmira Engineering Department, NYS GIS Clearinghouse

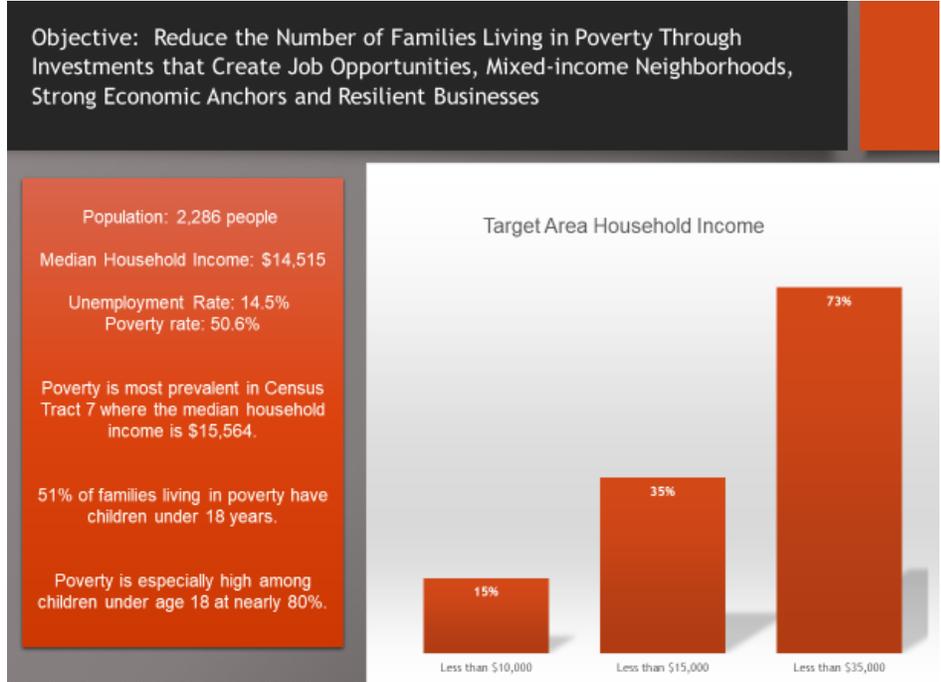
This next phase revitalization strategy has five primary development priorities.

1. ***Strengthen the Economic Anchors.***
2. ***Attract Investment to Revitalize Existing Building and Undertake New Construction with a Cluster-based Economic Development Strategy.***
3. ***Create Equitable Growth with Jobs.***
4. ***Create a Housing, Entertainment and Retail Environment to Attract Talent.***
5. ***Create Market Demand for Diverse and Resilient Business Development.***

## Investing in Opportunity Zone 7: Changing Lives and Revitalizing the Economy

Census Tract 7 is a designated Opportunity Zone and has the highest concentration of poverty in the City of Elmira.

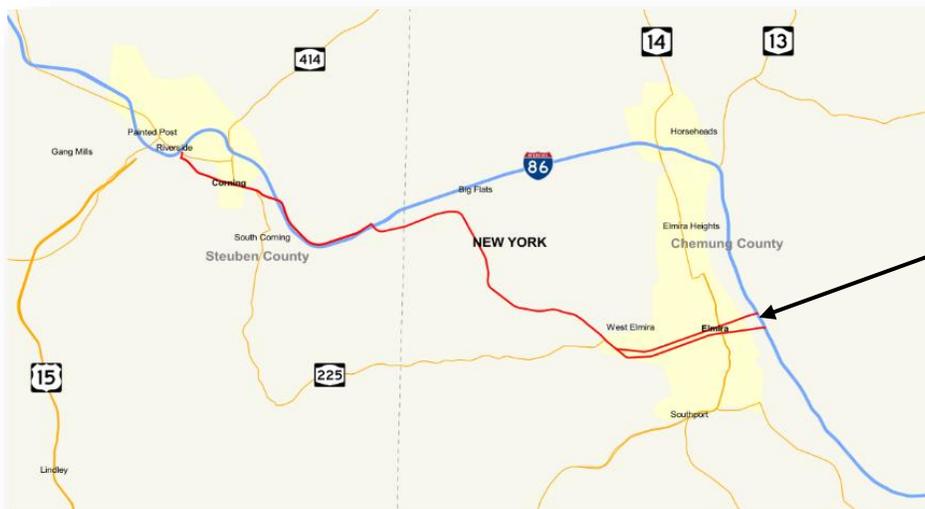
However, CT7 has multiple assets that make it highly desirable for investment including its prime location at the I86 exit/entrance, inclusion in the downtown's Business Improvement District, and immediate proximity to the Downtown Revitalization Initiative zone.



## Opportunity to Leverage Conditions for Economic Development

### Ideal Location for Investment

Located immediately at Exit 56 of I86, this mixed-use neighborhood provides quick and easy access to major highways and the downtown's housing and services for area residents and the regional workforce, as well as those seeking major destinations such as the Chemung County government offices, financial institutions, Elmira College, LECOM, Arnot Ogden Medical Center and the St. Joseph campus. CT7 also is ideally situated directly between the City's two major east-west corridors of Water Street and Church Street, which traverse from I86 through the downtown core to the residential neighborhoods, healthcare services and recreation.



Entrance to Census Tract 7 from I86

## Positive Conditions for Development

- ✓ **Targeted development zones** identified by the City of Elmira and determined viable by Southern Tier Economic Growth.
  - ✓ **Alliances for development** including local government, economic development agencies, economic development drivers, and local investors.
  - ✓ **Economic drivers seeking investment partners** to enhance offerings and enhance their capacity to meet market demand.
  - ✓ **Opportunities for financial incentives:** Opportunity Zone, Historic Tax Credits, Brownfield Tax Credits, and Local Economic Development Incentives.
  - ✓ **No major environmental barriers to development**, except for a 100-year floodplain covering a portion of Census Tract 7. The City of Elmira is submitting an EPA community-wide Brownfield assessment grant, which would provide \$300,000 to study several sites in depth. The SJ Hospital campus, Star-Gazette building and sites on the Southside are included in the study area.
- 
- ✓ **Flexible zoning** with permitted uses including most types of residential, lodging, commercial, municipal, and some light industrial. Urban agriculture allowed and auto uses by SP.
    - Buildings are limited to 8 stories with a 1<sup>st</sup> floor minimum height of 12 feet.
    - No minimum parking requirements.
    - Maximum lot coverage is 100%.
    - This district is intended for typical, more compact, walkable urban character.
  - ✓ **Permitted Uses.** The Hospital Zone Permitted Uses include 1-3 family residential, commercial uses such as banks, no hotels, convenience stores, restaurants, retail over 4000 sf or entertainment. Due to the restrictions of this district, it may be advantageous to rezone to the adjacent new district UMU (Urban Mixed-Use), intended as a transition zone between CBD and residential neighborhoods. Similar to CBD in allowable uses, 2-4 story buildings with minimal setbacks to encourage walkability.
  - ✓ **Site ready.** Numerous vacant and underutilized properties ready for development.
  - ✓ **Stability with local site control** of numerous properties owned by the City and Chemung County.
  - ✓ **Limited residential housing stock to be removed**, much of which is existing multi-family, affordable residential housing that is isolated and situated between two industrial districts and a highway. This could be considered a potential Environmental Justice area.
  - ✓ **Expanding demand for market rate housing and business development** to support a growing consumer base and need for an additional 235 units by 2025.
  - ✓ **Assets to support a desirable quality of life** -- Lackawanna Rail Trail is blocks away, bicycle and pedestrian paths and trails, Chemung River, high-speed internet, basic infrastructure with upgraded streets and lighting, and plans underway to upgrade waterlines.

## Investment Opportunities in CT 7

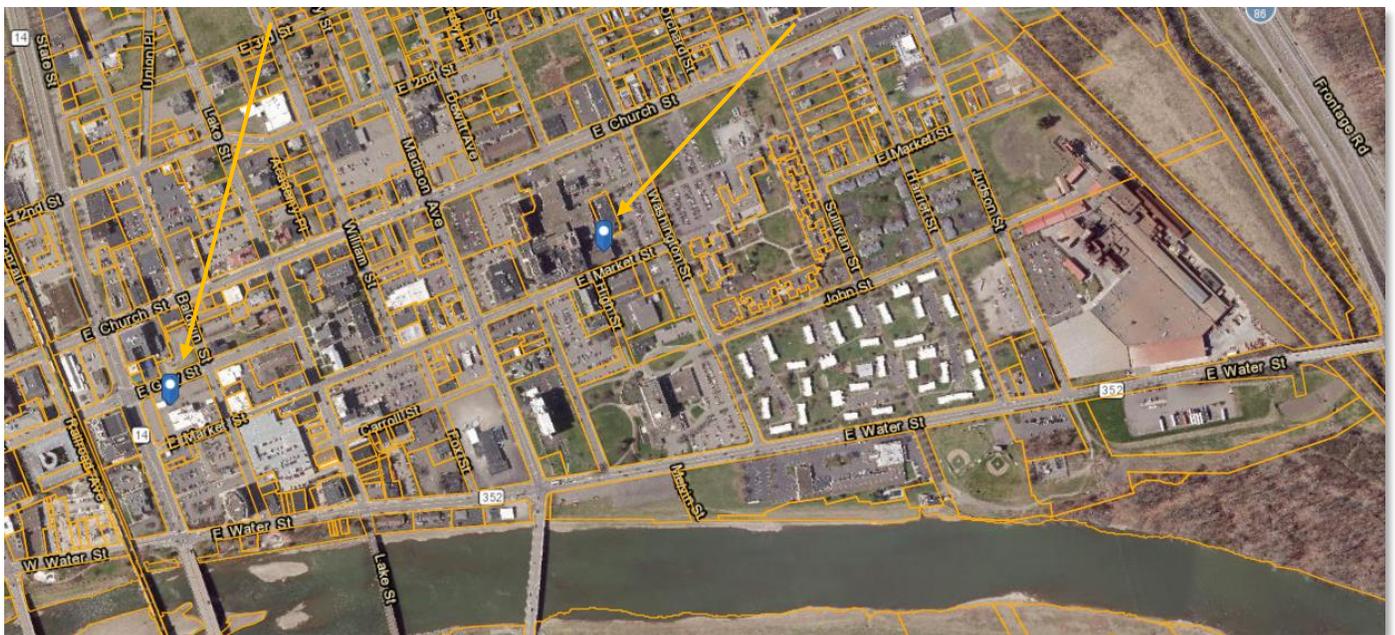
### Target Areas in CT7

Elmira recognizes its continued success and ability to achieve its objectives will require ongoing cooperation and collaboration among the major drivers including the City's leadership, major healthcare system, colleges, businesses, property owners, and developers. It also will require a targeted approach to leverage both opportunities and those areas with the greatest potential for return on investment.

In addition to the central downtown core, two additional target areas within CT 7 have been identified. These include repurposing of existing buildings and new construction on vacant parcels in the area bordered by Washington Street and State Street, between E. Church Street and E. Water Street. The known anchors in this targeted area include the former Star-Gazette building and the St. Joseph Hospital campus.

Former Star-Gazette Zone

St. Joseph Campus Zone



### Urban Style Market Rate Housing

Recruitment and retention of qualified professionals in all industries, particularly healthcare, is dependent on a desirable and competitive quality of life, particularly one that includes urban settings with dynamic downtowns, housing options, and culture and entertainment.

A downtown market rate housing study was conducted in 2016 and forecasted a demand for 330-400 units by 2022. Investors responded and have developed 280 units in the past three years. Based on an updated 2020 analysis, the demand for market rate rental housing continues to be driven by growth in healthcare and academic institutions, as well as regional hiring for professionals including engineers, scientists and educators moving to the area. This will result in demand for a minimum of 235 units and potentially 300 additional units by 2025. With a continued desire for an urban lifestyle this number has the potential to reach a total demand for 500 to 645 units during the period 2021- 2027.

## Target Market Groups

**55+ Empty Nesters:** Empty nesters are defined as those who are retired or no longer have children at home and are in the age range of 55 – 75 years. The upper income empty nester group in the catchment area includes retired engineers, senior management and other professionals who want to reside in Elmira on a permanent basis, as well as those who want a seasonal location. Annual demand is forecast at 5 - 15 units annually over the next 3-4 years and is expected to be 20 – 40 units over the next 7 years.

**Executives and Senior Management Level Professionals:** There are two subgroups who seek a rental situation in downtown Elmira. One group includes those who are locating to the area and prefer to rent for at least one year prior to purchasing a single-family residence. Both of these subgroups are seeking a sophisticated urban atmosphere, with modern conveniences and creative upgrades including designer countertops, high-end appliances and fixtures, in-unit washer and dryer, plus quality tile and carpeting. Annual demand for apartments is forecasted at 15 – 20 by 2024 and 40 – 65 by 2027.

**Physicians, RN's, and Other Health Care Professionals:** Arnot Health, Guthrie Healthcare and other healthcare organizations within a 20-mile radius typically hire no less than 120 - 150 physicians, RN's, high-level medical professionals and administrators annually. This target market group is facing a significant void in market rate housing options to meet their needs and expectations; particularly those being recruited to work in the Sayre, PA area. It is expected 15-25 individuals in this target market group would be seeking market rate housing during the period 2021-2024 and 20-30 individuals during 2021-2027.

**Engineers, Scientists and IT Professionals:** Many of the individuals being actively recruited will be young and have previously lived in a large community where loft style apartments in an urban setting are popular. This group also includes native young professionals. The average annual salary for this group is in the \$95,000 – \$125,000 range. The forecast for annual demand is set at 10-15 units in the next 3-4 years, but there is potential for this demand to increase to 35-50 units by 2027.

**College Faculty and Young Professionals:** Young professionals includes attorneys, accountants, financial advisors, engineers and healthcare administrators under the age of 40 with salaries of \$65,000 - \$90,000. And it is projected 45-50 faculty positions will be created by Elmira College and LECOM over the next five-year period, and by 2027 a cumulative total of 75 new faculty members could be hired. The annual demand is forecast to be 10-15 units in the next 3 years but has the potential to increase to 35- 50 units by 2027.

**Medical Residents:** The primary affiliation of these physicians in training and residency will be with Arnot Health based in Elmira. The number is expected to increase from the current 75 to approximately 150 residents annually, who will have a salary of \$50,000. Because many of these residents will be married or already are residing in the Elmira/Horseheads area, it is expected the majority will continue to live in apartment complexes in Horseheads or in houses being rented in the Elmira area. The forecasted annual demand for market rate housing in downtown Elmira is 35 beginning in 2022 and reaching a maximum of 45 by 2024. This number has the potential to increase to 70-100 by 2027.

**LECOM and Elmira College Students:** Beginning in the summer of 2020 the first class of 90 students arrived, and eventually will reach 450 students by 2023. As early as 2023, an estimated 240-255 medical students will elect to live in the downtown area in order to be in close proximity to their education classes. A 115-unit apartment building has been constructed to meet the initial demand, but there is additional demand projected at 145-165 new apartment units required to house this group by 2024.

## **Commercial Space and Business Development**

Growth of the health care industry and expansion of medical training will directly impact the continued momentum of “urban reinvestment” underway in the City of Elmira. There will be a growing demand for support services, food, retail, entertainment, and quality housing options within proximity to both Arnot Health facilities and LECOM. In addition, there is an existing residential and workforce base in the downtown and surrounding area and their consumer needs are not being met.

### **Target Retail and Commercial Mix Based on Competitive Demand Analysis**

#### **Restaurants** (emphasis on out-door dining)

- Coffee shop with crafted coffees, baked goods, etc.
- Internet café: fresh bagels, deli sandwiches, salads
- Bakery and ice cream/frozen yogurt
- Multi-cultural and ethnic restaurants
- Restaurant featuring local ingredients, comfort foods, locally sourced vegetables
- Mid-priced restaurant with entertainment, featuring on-site beer brewing and experiences beer/wine/food pairing
- Quick, affordable food options, late night dining (Thai, Shawarma, Mexican, Hibachi)
- Deli with fresh salads and sandwiches (day-time)
- Street-food such as upscale food trucks

#### **Bars and Pubs**

- Brew pubs, tasting rooms, late night dining options

#### **Retail**

- Active lifestyle equipment such as kayaking/river float rentals, bikes, etc.
- Fitness wear and accessories
- Thrift stores and quality 2<sup>nd</sup> hand fashion retail
- Casual and active lifestyle clothing and accessories
- Creative businesses offering hands-on experience
- Artisan and hand-crafted products

#### **Entertainment**

- Age 18+ venues with or w/o alcohol, beer, funky atmosphere, late night dancing, comedy bar/karaoke
- Family oriented entertainment areas (arcade, pool hall, laser tag)

#### **Personal and Business Services**

- Fitness and spas
- Creative businesses offering hands-on experiences
- Pet services, supplies and boutiques
- Upscale hair salon

#### **Food/Convenience**

- Convenience store
- Bodega or small grocery
- Upscale specialty retail food stores: deli, ethnic foods, artisan cheeses, organic, health-oriented specialty foods, olive oils, vinegars, spices, etc.
- On-site production and sale of products made in a small-scale environment (i.e., hummus)

#### **Beverages**

- Beer, wine and liquor sales
- Craft/artisan spirits
- Locally produced beer



## Opportunities for Financial Incentives: Opportunity Zone, Historic Tax Credits, and Local Economic Development Incentives

### **Opportunity Zone**

Census Tracts 6, 7 and 12 in the City of Elmira are designated Opportunity Zones and therefore are recognized as economically distressed and targeted areas where private investments, and under certain conditions may be eligible for capital gain tax incentives. Real estate and businesses located in Opportunity Zones are generally eligible for investment. The capital gain tax incentive can include the following.

Temporary Tax Deferral: An investor may defer recognition of income associated with any current capital gains realized (but not yet recognized for federal tax purposes by the private investor) that are reinvested into an Opportunity Fund.

Basis Step-Up: An investor is granted a step-up in the basis of any current capital gains reinvested into an Opportunity Fund. The private investor's basis in the original investment is increased by 10% of the amount of the unrecognized capital gain if the Opportunity Fund investment is held for a minimum of five years, and 15% if the investment is held for a minimum of seven years. The effect of the step-up in basis is to reduce the amount of the re-invested capital gain subject to tax.

Permanent Exclusion: Long term investments in Opportunity Funds are encouraged because private investors are granted a permanent exclusion of any future capital gain income realized upon the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least ten years. Thus, in such a case, a private investor would be permitted to exclude the entire amount of gain an investment accrues after the initial investment is made into the Opportunity Fund. The investor tax saving benefits from investing capital gains into an Opportunity Zone Fund include:

- Deferral of Capital Gains Tax – Investors will receive a deferral of taxation on 100% of the taxable capital gains invested in Qualified Opportunity Zone Property until the earlier of the date that their investment is sold or December 31, 2026;
- Reduction of Capital Gains – Investors be eligible to receive a 10% reduction of the taxable gain amount invested in Qualified Opportunity Zone Property if the investment is retained for at least 5 years, increasing to a 15% reduction if the investment is held for at least 7 years; and
- No Tax on Capital Gains realized on Qualified Opportunity Zone Property – Investors who invest and hold their investment in a Qualified Opportunity Zone Property for at least 10 years will pay no tax on any capital gains realized through that investment when that investment is sold.

In FY18, the Economic Development Administration (EDA) issued a Notice of Funding Opportunity that made Opportunity Zones eligible for funding from EDA even if the area would not meet EDA's economic distress criteria. In June 2019, EDA added Opportunity Zones as one of its five Investment Priorities to help significantly increase the number of catalytic Opportunity Zone-related projects that could be funded.

### **Federal Historic Rehabilitation Tax Credit Program**

The Federal Historic Rehabilitation Tax Credit program provides a 20% federal income tax credit for owners of income-producing properties listed on the National Register of Historic Places.

## **Development Incentives Available from Chemung County Industrial Development Agency (CCIDA)**

**Industrial Revenue Bonds** – CCIDA may issue debt in the form of bonds or notes. The interest on such debt is exempt from federal and state income taxes and enables a borrower to access capital at below market rates.

**Real Property Tax Abatement** – Property owners pay a real property tax based on the assessed value of land and improvements to a site. Any real property owned or controlled by an IDA is not subject to ad valorem real property taxes; however, it continues to be subject to special assessments and user fees (water, sewer, fire, etc.). When the IDA takes title to or a leasehold interest in real property, the property becomes 100% exempt from ad valorem real property taxes. To accommodate the needs of the local tax jurisdictions, however, the IDA generally negotiates a Payment-In-Lieu-Of-Tax Agreement (“PILOT Agreement”) with the company. The IDA will then direct, or receive and forward, these payments-in-lieu-of-taxes to the affected tax jurisdictions in the percentage that each affected tax jurisdiction would otherwise have received but for the IDA’s involvement.

**Sales Tax Abatement** – The IDA project can be exempt from paying sales tax on tangible property during the construction or renovation of a project facility.

**Mortgage Tax Abatement** – The IDA project can be exempt from paying New York State mortgage tax or deed transfer taxes.

## Appendices

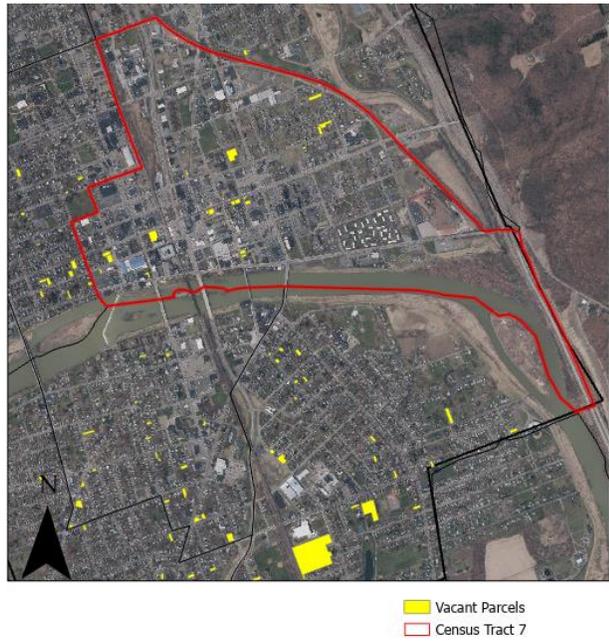
Appendix A. Mapping and Aerials of Census Tract 7 and St. Joseph Campus

## Appendix B. Conditions for Development

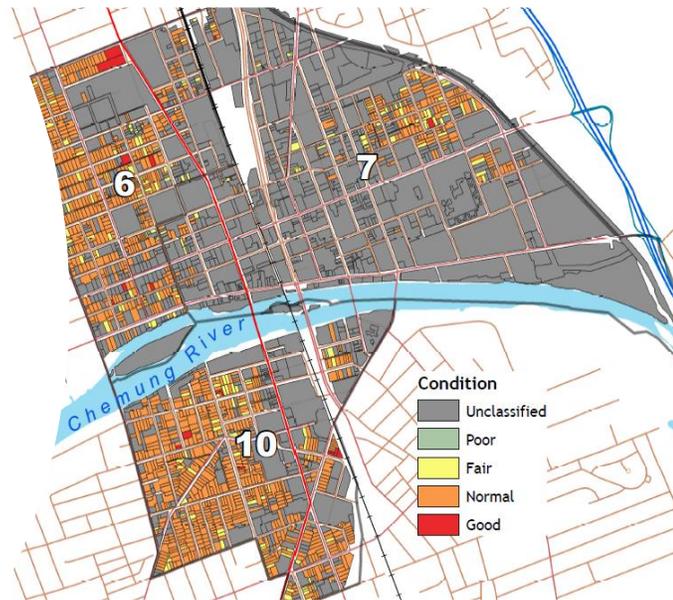
### Flood Zones in Census Tract 7



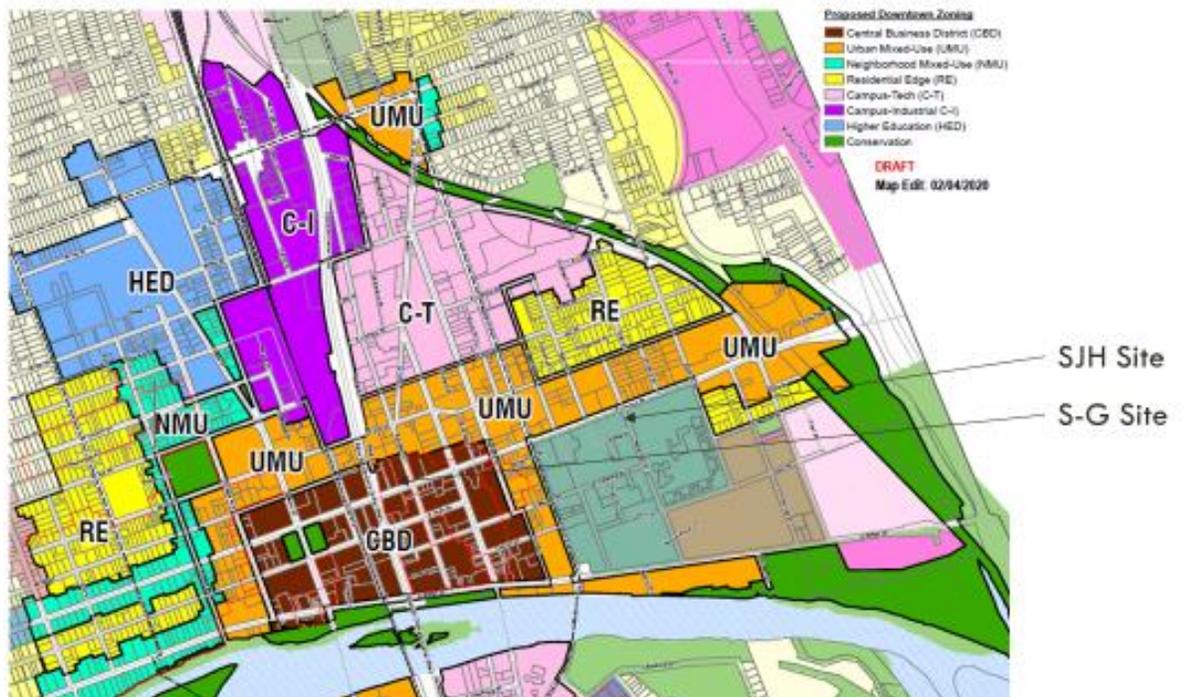
### Underutilized Sites in Census Tract 7



## Residential Building Conditions



## Zoning



City approved new form-based code in August 2020.

## Appendix C. Poverty in Census Tract 7

### Household Income and Persons in Poverty

Median Gross Income of Households and Persons in Poverty						
Census Tract	HMFA Very-low Income for 4-person Household: FY 2016 Median Gross Income	Population	Households	Persons in Poverty	Median Household Income	Average Rate of Poverty
6	\$27,267	3,732	1,220	1,077	\$20,581	44.6%
7	\$29,267	2,439	1,032	1,017	\$15,564	49.7%
10	\$29,267	2,922	1,256	1,264	\$21,792	38.9%

Source: HUD, 2017 Qualified Census Tract Data

### Density of Poverty: Families and People in Poverty in CT7

	Census Tract 7	City of Elmira
All families	54.0%	27.4%
With related children under 18	77.4%	40.6%
With related children under 5	90.5%	48.2%
Married couple families	23.0%	11.9%
With related children under 18	65.7%	18.3%
With related children under 5	100.0%	10.4%
Families with female householder, no husband present	67.3%	50.9%
With related children under 18	78.6%	59.7%
With related children under 5	88.9%	71.9%
All people	51.6%	30.4%
Under 18 yrs	80.6%	43.0%
Related children under 18	80.6%	42.8%
Related children under 5	90.8%	46.0%
Related children 5 to 17 yrs	61.2%	41.3%
18 years and over	43.1%	26.0%

18 to 64 years	43.7%	28.5%
65 years and over	41.2%	13.3%
People in families	60.8%	29.0%
Unrelated individuals 15 yrs and over	39.9%	33.9%
<i>Source: 2010-2014 American Community Survey 5-Year Estimates</i>		

## Appendix D. Commercial and Retail Demand

### Consumer Spending in the Surrounding Area

	2-mile			5-mile		
	Total Spending	Avg Household	Per Capita	Total Spending	Avg Household	Per Capita
Apparel	\$15,747,215	\$1,232	\$484	\$25,805,620	\$1,256	\$507
Entertainment, Hobbies & Pets	\$39,400,685	\$3,081	\$1,212	\$67,224,335	\$3,271	\$1,321
Food & Alcohol	\$76,768,424	\$6,004	\$2,361	\$128,871,565	\$6,271	\$2,532
Household	\$31,704,011	\$2,479	\$975	\$56,224,396	\$2,736	\$1,105
Transportation & Maintenance	\$58,836,162	\$4,601	\$1,810	\$102,424,926	\$4,984	\$2,012
Healthcare	\$15,440,433	\$1,208	\$475	\$26,772,417	\$1,303	\$526
Education & Daycare	\$12,921,660	\$1,011	\$397	\$23,002,626	\$1,119	\$452

Potential for Additional Square Footage of Retail and Commercial Space			
Store Type	Total SF	New SF (40% CR)	New SF (20% CR)
Clothing & Clothing Accessories Stores	69,588	27,835.31	13,918
Furniture & Home Furnishings Stores	26,865	10,745.86	3,664
Sporting Goods, Hobby, Book & Music Stores	18,322	7,328.87	3,664
Bldg Materials, Garden Equip. & Supply Stores	17,690	7,075.96	3,538
Full-service Restaurants	16,118	6,447.33	3,224
Specialty Food Stores	12,300	4,920.01	2,460
Office Supplies, Stationery & Gift Stores	4,969	2,387.59	1,194
Limited service Eating Places	2,805	1,122.11	561
<b>Total Retail SF</b>	<b>169,658</b>	<b>1,122.11</b>	<b>561</b>

## Appendix E. Public and Private Subsidized Housing in City of Elmira

Name	Entity	Federal Program	State Program	Local	Year Built	Number of Units	Population Targeted
<b>Hawthorn Court</b>	All County Management	LIHTC, Section 8 Vouchers	NYS Housing Trust Fund	IDA Tax Exempt Bonds	1941 (privatized in 2001)	274	family
<b>McNiff Commons</b>	Providence Housing	LIHTC	NYS HOME		2005	11	mental illness
<b>Clemens Manor</b>	Providence Housing	LIHTC, CDBG	NYS Housing Trust Fund		1999	30	elderly, disabled
<b>Eastgate</b>	Streeter	Urban Renewal 236	Mitchell -Lama		1973	102	low-income
<b>Hoffman Plaza</b>	Elmira Housing Authority	Operating and capital subsidies	n/a		1941	144	family
<b>Bragg Towers</b>	Elmira Housing Authority	Operating and capital subsidies	n/a		1969	126	elderly or disabled
<b>Flannery Apartments</b>	Elmira Housing Authority	Operating and capital subsidies	n/a		1977	209	elderly or disabled
<b>Carpenter Apartments</b>	Christopher Community	Section 202	n/a		1998	40	elderly
<b>St. Patrick's Apartments</b>	Conifer	Section 8	n/a		1990	39	elderly or disabled
<b>Heritage Park</b>	Heritage Park Limited	Urban Renewal, Section 8	Capital funds		circa 1970	212	family
<b>Riverview North and South</b>						128	low-income
<b>St. Joseph's Apartments</b>	Conifer				remodeled 1994	66	elderly or disabled
<b>Riverview North and South</b>						128	low-income
<b>St. Joseph's Apartments</b>	Conifer				remodeled 1994	66	elderly or disabled
<b>Miller Manor</b>	Catholic Charities-Gateways				1999	12	mental illness
<b>Libertad Elmira</b>	Vacino Group		NYS HCR		2019	90	family/veterans
<b>Chemung Crossings</b>	Housing Visions	HOME, CDBG	NYS HCR		2018	45	family
<b>Maple Avenue Apartments</b>	CDS Housing	HOME	NYS HCR, NYS OPDD		2018	50	elderly or disabled

Source: LIHTC Database Access (<https://lihtc.huduser.gov/>) and [www.elmirahousing.org](http://www.elmirahousing.org)

## Appendix F. Market Rate Housing Demand

### Overall Trends in Rents: 2019 – 2024

The average actual asking rent in 2017 was \$1,078 and subsequently rental rates had been growing at 5.9% year-over-year. Rate have grown over three years, and by the end of 2020 the actual rent rate is expected to be at \$1,168. Further, it is projected the average actual rent will be \$1,364 by 2022 and increase to \$1,463 by 2024.

### Comparison of Rent Rates as of Q3 2020

#### Rent Per Square Foot in Greater Elmira Market

US: \$1.52

All Market Rate Properties in Greater Elmira Area: \$1.12

3-5 Star Market Rate Properties in Greater Elmira Area:  
\$1.12

#### Average Rent Per Bedroom in Greater Elmira Market

3-bedroom \$1,274      2-bedroom \$977

1-bedroom \$712      Studio \$791

INVENTORY	MARKET 3-5 STAR	OVERALL MARKET
Inventory Units	913	2,096
Existing Buildings	13	103
Avg Units Per Bldg	70	20
12 Mo Demolished Units	0	0
12 Mo Occ % At Delivery	73.5%	86.3%
Under Construction Units	20	-

### Vacancy Rate Trends and Forecasts:

- ✓ In Q4 2019 the vacancy rate among all market rate properties in the Greater Elmira Market was 3.18% as compared to the US at 6.4%.
- ✓ The Greater Elmira Market vacancy rate was only 2.2% among 3-5 star properties in 2019.
- ✓ In Q2 2020 the vacancy rate declined to 1.7% among all market rate units in the Greater Elmira Market, as compared to 6.4% among all properties across the US. And the vacancy rate in the Greater Elmira Area Market was only 1.6% among 3-5 star properties.
- ✓ The projected vacancy rate in the Greater Elmira Market for Q4 2020 is 1.14%, and 1.6% in 3-5-star properties. This is compared to a projected rate of 7.4% in the US.
- ✓ The projection for Q4 2021 is for a 2.2% vacancy rate in the Greater Elmira Market as compared to 8.2% across the country.
- ✓ The projected vacancy rate for Q4 2024 is 4.4% for all market rate properties in the Greater Elmira Market as compared to 6.8% at the national level.

There are currently 2,096 market rate apartments, of which 913 are 3-5 star properties with only 15 vacant units, which translates into a vacancy rate of 1.6%.

An additional 135 market rate apartments are under construction and will be on-line in 2021.

### Comparison Table of 3-5 Start Market Rate Apartments in the Greater Elmira Market

Name	Address	Units	Yr. Built	Avg SF	Rent per Unit	Studio	1 bed	2-bd	3-bd	Occup Rate	Studio	1-bd	2-bd	3-bd
<b>100 W. Water St</b>	100 W. Water	51	2019	832	\$1,132	-	\$986	\$1,401	-	100%	0	33	18	0
<b>Heritage Park</b>	701 E Water St.	212	-	1,113	\$976	-	\$712	\$935	\$1,198	100%	0	47	107	30
<b>Colonial Manor Apartments</b>	1073 Sing Sing Rd	144	2020	975	\$1,549	-	\$1,110	\$1,505	-	100%	-	24	120	0
<b>Mark Twain Building</b>	149 W Gray St	100	1970	550	\$739	\$797	\$673	\$808	-	100%	48	48	4	0
<b>Bottchers Landing</b>	500 Bottchers Dr	56	-	1,256	\$1,325	-	-	\$1,176	\$1,573	98.2%	0	0	35	21
<b>Bitmore Crossing</b>	81 Bitmore Crossing	56	2014	969	\$653	-	\$561	\$670	\$771	100%	0	16	32	8

### Sample Inventory of Market Rate Apartments in Greater Elmira Area

**100 West Water Apts.**  
**100 West Water Street**  
**Elmira**



Bedrooms	Units	Avg SF	Asking Rent/Unit
1	33	684	\$986
2	18	1,102	\$1,401
Totals	51	832	\$1,132

**Heritage Park**  
**701 E Water St.**  
**Elmira**



Bedrooms	Units	Avg SF	Asking Rent/Unit
1	57	850	\$712
2	107	1,000	\$935
3	30	1,200	\$1,198
Totals	58	1,061	\$976

**Colonial Manor Apts**  
**1073 Sing Sing Rd.**  
**Horseheads**



Bedrooms	Units	Avg SF	Asking Rent/Unit
1	24	893	\$1,110
2	120	1,158	\$1,505
Totals	144	1,113	\$1,439

**Bottchers Landing**  
**500 Botchers Drive**  
**Horseheads**



Bedrooms	Units	Avg SF	Asking Rent/Unit
2	35	1,138	\$1,176
3	21	1,452	\$1,573
Totals	56	1,256	\$1,325

**Bitmore Crossing**  
**81 Bitmore Crossing**  
**Horseheads**



Bedrooms	Units	Avg SF	Asking Rent/Unit
1	16	750	\$561
2	32	1,036	\$670
3	8	1,136	\$771
Totals	56	969	\$653