
REAL ESTATE

NEW YORK STATE:

THE NEXT RUST BELT?

There is an expanse of over 50,000 square miles inhabited by 9 Million people which stretches from the Hudson River to Niagara Falls and doesn't look like New York City. Of the states gross annual economic product of \$963.5 Billion dollars, this New York State contributes less than half.

The Empire State Development Corporation (ESD), an agency of the State of New York, is empowered with maintaining and attracting industrial and commercial development. The ESD is recognized as one of the most professional and energetic among all of the states in the union, however, they are swimming against a strengthening tide. From textile to chip manufacturing, factory square footage growth has shrunk with a growing number of International companies choosing offshore locations for their manufacturing sites. To counter this trend, the ESD has created Empire Zoned Districts, which provide wage tax credits, investment tax and employment incentive credits, new business refunds, utility rate savings, zoned capital credits, and technical assistance. These and other benefits such as the creation of Federal Empowerment Zones, Brownfield Tax Credits, workforce training assistance, export assistance, and loan discounts, have collectively failed to overcome the wage-rate disparity between New York State and Asia. Nevertheless, there have been significant transactions throughout the state which could promise to be the basis for regenerative economic growth in the decades to come. The following is a brief overview of those transactions:

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Barilla Choses Avon, NY: The largest food manufacturer in Italy is expanding to Avon, New York . Barilla America Inc., a pasta maker and their business partner, Jacobson Warehouse Company, Inc., are planning to open a pasta manufacturing distribution facility on an approximate 50 acre site in Avon Livingston County, situated just outside of Rochester, NY. Barilloa is the largest pasta manufacturer in the world. This 300,000 sq. ft. facility will represent a \$95 million investment.

Bank of New York: Is building a 90,000 sq. ft. facility in Onondaga County, which will create 477 jobs. Located in the Syracuse GMA, this region was selected due to its ample and trained workforce, as well as its regional distribution center for FedEx, the location of a medium sized airport, and excellent highway access.

Syracuse Research Corporation: Also in the Syracuse area, has announced they are to build an \$18 million research facility in Cicero. The planned development is for a 120,000 square foot, 2 story facility, to house their growing staff of over 650 people.

Novelis: Located further west, in Oswego County, has invested over \$200 million in their recycling/mill operation.

Nextgen Fuel: Adding to this county's growth is Nextgen Fuel, the bio-diesel manufacturer, whose \$1 million project will enable the production of 5 million gallons of bio-diesel per year.

Roth Industries: North Central, Upstate Jefferson County is known for their Thousand Islands and has attracted Roth Industries for the manufacturing of double wall fuel storage tanks. In **Chenango County**, their pro-growth policies have continued to retain companies such as Norwich Pharmaceuticals, Raymond Corporation, Mead Westvaco, and Procter & Gamble Pharmaceuticals. In the **greater Binghamton area**, companies such as Lockheed Martin, Gannett, Link Simulation and Training, Maines Paper & Food, Rockwell Collins, BAE Systems, and Frito Lay, have an established and growing presence.

While each county sports an aggressive economic development agency, offers a skilled work force and an infrastructure of schools, hospitals and highways, jobs continue to drain out of New York States heartland despite a scattering of high profile transactions. Possibly, if the mantra of growth at any price loses its allure, a stable but smaller manufacturing and commercial economic base throughout New York State may have enduring value for those that shun the social instability brought on by rapid growth.

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