
CHAPTER 8 - MAJOR STRATEGIES, IMPLEMENTATION PLAN & SCHEDULE**8.1 Community Capacity Building**

The successful implementation of the Strategic Plan will require skilled volunteers as well as support staff. Organizations such as the Owego Revitalization and Betterment Corporation (ORBC) already have dedicated volunteers with the necessary prerequisite skills to begin the implementation of the Strategic Plan. However, some of the more complex tasks and administration of programs outlined in the Strategic Plan will require community capacity building. Community capacity building is a process that is used to further develop the skills of volunteers and staff of agencies such as the ORBC in order to reduce their dependence on outside agencies for on-going support.

"If there is an overarching theme for civil society, it is the concept of citizenship - individual, corporate, organizational and government. Embedded in this concept of citizenship are the twin notions of rights and responsibilities. Most citizenship efforts focus upon rights and entitlements - the expectations of citizenship. But the other half of the equation - responsibility - is equally important. All individuals and sectors have a responsibility to promote community well-being - to act as stewards of each other's welfare. "Civil Society: Reclaiming Our Humanity, Sherri Torjman

One new initiative, "SEED Owego," and use of the existing "Leadership Tioga" program, are proposed to build community capacity for implementation of this Plan.

Leadership Tioga

It is recommended that an existing leadership development program known as "Leadership Tioga," be used to train members of the ORBC and other Village agencies (e.g. Owego Historic Preservation Commission, Chamber of Commerce, Historic Owego Marketplace) to take on leadership roles and responsibilities needed to implement the Strategic Plan. One or more series of Leadership Tioga sessions should be targeted to Village concerns, local government operation, grant procurement, grant administration and building bridges to the Village business community, focusing on the recommendations of this Plan. Speakers might include representatives from the Cornell Community and Economic Vitality Council, the Tioga County Department of Economic Development and Planning, the USDA, the Tioga REAP Zone and the Empire Zone. These are agencies that will likely be conduits for future grants and/or program support.

The success of the Strategic Plan will depend on the active involvement of informed and dedicated citizens who have the ability and the desire to assume leadership positions. These leadership positions can be in the form of volunteers or individuals working for nonprofit agencies in the Village. The primary goals should be as follows:

- Identify and develop community leaders, volunteers, and support staff.

- Expand the leadership potential of participants through;
 - Education to broaden knowledge of the Village and issues affecting its citizens,
 - Exposure of participants to existing leadership and civic organizations,
 - In-depth discussions of relevant issues with experts.
- Improve communication between nonprofit agencies in the Village and Village/County Government.
- Foster a commitment among businesses, employees and residents to enhance the quality of life in the Village of Owego.

The coordinative assistance of Cornell Cooperative Extension of Tioga County should be sought in structuring the programs. Sessions should be structured to develop the following types of knowledge among participants:

- The structure of Village and County Government.
- Grant procurement techniques and sources of funding
- Planning and zoning issues, including plan review and code enforcement procedures.
- Empire Zone program benefits and how businesses can access them.
- IDA tax abatements and financing opportunities.
- Resources available through the Empire State Development Corporation.
- Program administration and reporting requirements for State and Federal projects.
- Financial incentives available to area businesses and not-for-profit agencies.
- Gaining access to media to promote events and distribute information.
- Tioga County REAP Zone programs and related Federal funding.
- Preparing business plans and using the Small Business Development Corporation.
- Owego and Tioga County heritage assets.
- Health care and social challenges and resources.

Seed Owego

Another important aspect of community capacity building is increasing the capacity of local businesses and residents who may not be, or have any desire to be part of the leadership structure. For some of the Village of Owego's underemployed residents, the answer may be self-employment through the opening of their own business. **Self-Employed Economic Development (SEED)** is a process through which low-income persons with an interest in operating a business are selected for special business training.

Interested individuals should be prescreened by other agencies in the Village and referred to the ORBC for inclusion in the SEED OWEGO program. The ORBC should then conduct a client orientation session and interview the applicants to ensure their ability to complete the program. Only those with a reasonable chance of success should be selected for the program. Once selected for SEED OWEGO, the individual should receive free intense business training. This can be accomplished by working with local banks, Cornell Cooperative Extension or an agency such as the New York Small Business Development Center.

Upon successful completion of the SEED OWEGO classes, participants should be given assistance in creating a business plan. Once the ORBC has a reasonable assurance that the business plan is likely to succeed it should work with the client to seek financing to open the business. Typically funding for such businesses would come through Micro-Enterprise Revolving Loan Funds such as those that are funded through the Governor's Office of Small Cities. The SEED OWEGO program should also involve a yearlong mentoring program. Retired business persons should be sought to periodically provide one-on-one guidance and support to SEED OWEGO participants.

Graduates of SEED OWEGO program should, ideally, be placed in the Downtown Business District within vacant storefronts. Village-owned properties may provide an excellent place in which to incubate these businesses over a three-year period during which rents would be subsidized in order to get the business on its feet. Private building owners with vacant storefronts should be offered incentives through the Empire Zone in order to develop suitable retail or service space to SEED OWEGO graduates as well.

These two programs, Leadership Owego and SEED OWEGO, can go far in building on-going leadership and business development capacity within Owego and Tioga County. Other communities from across the nation have used them successfully to create new generations of leaders in both the public and private sectors and accomplish positive change. The following overview of just what changes are involved is adapted from Community Capacity Building-Guidebook for Managers and Staff in Support of a Vision:

Change From:

Focus on deficits
View change as a problem
Driven by experts
Giving resources
Implemented by others

To:

Focus on capacities
View change as good
Driven by residents and volunteers
Giving the means to access/develop resources
Self-implemented

It is exactly these types of changes that community capacity building should seek to achieve.

8.2 Economic Development Financing

The Village of Owego and the Tioga County IDA can help to attract new investment to the Village by providing the necessary financial incentives that will make it easier for business and property owners to make needed improvements. Such incentives typically come in three forms: 1) economic development financing (e.g. low-interest loans), 2) grants, and 3) tax incentives.

Economic development financing can help to stimulate investment by providing incentives to both entrepreneurs and private lending institutions. Entrepreneurs enjoy longer terms and lower interest rates through such programs, which reduces their debt service and increases their cash flow. Banks enjoy a lower financing risk by participating. Often these programs take a second position mortgage, which gives the banks greater debt coverage ratio. Typical financing is at relatively long loan terms and low interest rates.

It is recommended that the Village secure CDBG funds to develop a Revolving Loan Fund that would offer up to \$50,000 in financing at two (2%) interest and terms of up to ten (10) years. Such funds are available through the CDBG economic development funding round. The Village, to secure such funds, needs to prepare a CDBG grant application to provide funding to specific businesses. The business would need to develop a business plan that shows a need for the CDBG funding. Typically, need is shown when a business is unable to secure all the necessary financing from a private lender due to insufficient cash flow or collateral. The CDBG funds can be used to cover the “gap” in financing. Historically, the Governor’s Office of Small Cities, which administers the program, has loaned \$15,000 for each job created by the business. These larger loans enable more business and building owners to invest in Owego and leverage local lender participation.

It is recommended that the ORBC administer the Revolving Loan Fund and underwrite the loans to prospective business or property owners. With loans of up to \$50,000, it is imperative that the ORBC develop loan policies and procedures as well as application guidelines. The underwriting for such a program must be stringent to ensure repayment ability of the business or building owner. Assistance from the local New York State Small Business Development Center at Binghamton University is available to assist loan applicants

in their preparation of a business plan. The ORBC could probably also contract with the Center to perform the loan underwriting.

8.3 Small Grants to Stimulate Investment Downtown

Small grants are another means of stimulating investment. Grants reduce the amount of equity a business or property owner must invest thereby resulting in a higher return on investment. Grants allow investment to occur where it might otherwise not occur if the sole source of capital were market-rate loans or owner equity. There is a need for grants to address two major issues in Downtown Owego 1) facade renovations, and 2) interior building renovations.

Facade renovations don't produce immediate new income for business owners and, therefore, a 50/50 matching grant program up to \$7,500 is recommended. Detailed guidelines have been prepared and are presented in their entirety in Appendix D. The proposed Owego Downtown Initiative Grant would also provide matching grants up to \$5,000 to not-for-profits to pursue Downtown beautification efforts. As noted in Section 5.4, seed money for this program may be available through the new Empire Opportunity Program.

Many buildings in Downtown Owego were built prior to 1939 and require investment to bring retail and upper residential space into Building Code compliance. A Downtown Business Incubator Small Grant Program is also proposed to provide the necessary financial capital to encourage new business growth and reinvestment in existing Downtown buildings. It is also meant to foster investment in vacant retail building space in order to make it ADA compliant. Up to \$5,000 would be made available for each business under this Small Grants Program. Matching funds could include private capital, state and federal funds or low-interest loans available through other sources. Guidelines are presented in their entirety as Appendix E.

8.4 Empire Zone and Other Tax Incentives

One of the most powerful tax incentives the Village of Owego could offer to encourage business expansion and infill development is the New York State Empire Zone program. Through the Empire Zone program, businesses can secure benefits such as a fifteen (15) year real property tax credit. The tax credit is a win-win for the Village and the business. During the first ten (10) years, the business gets a 100% tax credit for real property taxes paid, which is then applied against its business or corporate taxes. The business lowers its cost of operations through the tax credit given by the State, while the Village gets its tax revenue from day one.

The Village is fortunate that a large portion of Downtown Owego is already designated part of the Tioga County Empire Zone as is larger industrial sites within the Village. The Village should work with the Tioga County Empire Zone Coordinator to aggressively promote these benefits to prospective investors in the Village and existing businesses looking to expand. To

date, forty-eight (48) businesses in the Village of Owego are already Certified Empire Zone Businesses.

Empire Zone benefits for Qualified Empire Zone Enterprises include:

- A five-year wage tax credit (from \$1,500 to \$3,000).
- A 10% investment tax credit with three-year 3% employment incentive credit.
- A sales tax refund for building materials.
- A 25% zone capital tax credit.
- A tax reduction credit for job creation.
- A 15-year real property tax credit which is 100% for the first 10 years and reduced 20% each year to Year 15. This credit is applied against business or corporate tax.
- A sales tax exemption for tangible personal property and services.
- A Link Deposit Loan of up to \$500,000 with interest rate subsidized for first two years at 3%. This results in net savings to the business on a \$500,000 loan of approximately \$16,000 in interest payments in the first two years.
- Utility rate reductions.

The Village could offer an immediate tax incentive to investors simply by publicizing the fact that certain types of improvements (e.g. facade upgrades) should not increase the assessed value on properties. Business owners are sometimes reluctant to improve their building facades because they fear increases in assessment even though the Real Property Tax Law may not require one. The Village should also work with the Town to reinforce State law by setting a firm policy that such improvements will not trigger a reassessment. Long-term, such investments do add value to the business district and encourage larger investments that increase the ratables. Other improvements that enhance the business district, including building code and ADA compliance, should likewise not result in an increased assessment. The Village must publicize this policy and follow-through immediately.

8.5 Development of Light Industry/Research Park

The three potential brownfield sites in the Village of Owego may also be excellent sites for a light industry/or research parks. All three sites have access to rail and natural gas. Potential funding for the development of a light industry or research park on these sites could come from a variety of sources including: 1) The United States Department of Commerce Economic Development Administration (EDA), 2) a USDA Rural Business

Enterprise Grant, 3) a Legislative Member item through the Assembly or Senate, 4) the CDBG Program, and 5) the Empire Opportunity Program.

Promotion of more commercial and industrial development in other areas of the Village zoned for such activities (e.g. along the south side of the River) is also essential. The Village needs to address its tax burden in both the short-term and long-term. Short-term it needs to lower taxes for prospective businesses who would otherwise be attracted to locate in the Village. This can be done through a combination of tax abatements (working through the County IDA and using the 485-b program) and measures to control the costs of government. Consolidation of services with the Town needs to be seriously examined, for example. Keeping costs of government as low as possible, combined with tax incentives will help to make the Village more competitive.

Long-term it needs more commercial development to help carry the tax load. A business park and/or incentives for development of new businesses on individual sites in properly zoned areas would lay the foundation for attracting such businesses. This may require short-term tax abatements but this need not involve giving up any current tax revenue, only reducing future increases temporarily to allow new businesses to get established. It is recommended the Village cooperate with the IDA in fashioning tax abatement programs that will serve this purpose.