

Houghton outlines economic recovery initiative at Alfred University forum

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An initiative for "regenerating the Southern Tier's economy" was launched Monday when more than 100 business and community leaders from Cattaraugus, Allegany and Steuben counties gathered at Alfred University's Harder Hall for a forum hosted by Congressman Amo Houghton, R-NY 29. Heading the effort will be Erland E. Kailbourne, who retired in 1998 as the chief executive officer of Fleet Bank - New York Region. A native of Wellsville, Kailbourne has been active in several revitalization efforts in Western New York, and chaired the successful "Buffalo Backs the Bills" campaign. Kailbourne will chair the economic development committee for the Southern Tier. The initiative, which Houghton pledged to support whether or not he runs for re-election to the Congressional seat he has held since 1987, actually began nearly a year ago, when Houghton convened a group of leaders from his district. "I asked them to project where we will be in 50 years, in the year 2054," explained Houghton. "What will we be like? Will our population still be heading south? Will our manufacturing base be further eroded? Will our airports go unfilled? Will our universities be struggling with under-enrollments? Will our tax burden be placed on fewer and fewer people? "Worse, he said, "Will we be fighting among ourselves, creating a maelstrom that we can not get out of?" Not working together as a region, he suggested, is the reason for failure of efforts in the past. A 2001 survey conducted by the Council for Entrepreneurial Development looked at the "critical factors" companies look at when considering a location for a new or expanded facility. Among the eight issues that the CEOs considered to be important, "only two are out of our reach," said Houghton. "One is the weather, and we can't do much to change that. The other is taxes, and we can't do much about that short-term." What the Southern Tier does have, he said, is three of the top four factors CEOs consider: availability of qualified technical personnel, availability of qualified professionals, and the quality of living. To capitalize on the positive attributes we have, said Houghton, the Southern Tier "needs to pull together, think ahead and do things differently" than it has in the past. The first step for the newly formed steering committee, said Kailbourne, is to undertake an analysis of the region's strengths and weaknesses. Business and community leaders were quick to offer their comments. Allegany County, as the home to Alfred University, Alfred State College and Houghton College, abounds in potential "intellectual capital," but each year at those three institutions, "1,000 people walk across the stage" and out the door. "That's a tremendous drain of manpower," said Edward G. Coll, Jr., president emeritus of Alfred University and now chairman of the Committee of 44, a group that brings together the largest employers in Allegany County. "One of our problem is that we fall in love with our mistakes," and keep repeating them, said Coll. Furthermore, the county "takes a long time to make changes. One of our inherent problems is the county legislature, which insists on managing the county instead of governing." The Committee of 44 has suggested that instead of 15 legislators - one for every 800 voters in the county - the board be reduced to five, and an elective county executive's position be created. At present, the board appoints a county administrator, who reports to it, so there is no clear distinction between the legislative and executive branches of county government. Mayor Shawn Hogan of Hornell suggested that the areas of the country that have prospered in recent years are those with a regional approach to government. "We need fundamental change" in the way New York state structures local government, said Hogan. "We can't do business the way we did five years ago." Ann Gilpin, chief executive officer of Jones Memorial Hospital in Wellsville, reminded the steering committee not to forget that "hospitals and health care are extremely important to economic development." "They are a quality of life issue," agreed Kailbourne. Maybe, suggested Houghton, one way for the Southern Tier to distinguish itself would be for it to develop a new approach to providing health care, much as Rochester companies and health care institutions did 25 years ago. Sherry Walton, president of the Wellsville School Board, reminded the steering committee not to forget the role that public schools play in fostering economic development. Several speakers agreed that capital for new and expanding businesses is a critical need in the Southern Tier. "We need first-phase, early stage funding," stressed Jon Wilder, executive director of the Ceramic Corridor Innovation Centers, which are high-technology incubators located in Alfred and Painted Post, NY. Over the past several years, the region has lost several opportunities because there was not a ready source of capital for investments in the Southern Tier. Dr. Arun Varshneya, a professor of glass science at Alfred University and president of Saxon Glass, said his company could have grown, but that venture capitalists willing to invest wanted the company to move. "The intellectual capital," represented by Varshneya and his colleague and partner, Dr. William C. LaCourse, also a professor of glass science at Alfred University, "is here, and this is where we want to grow our company." Frank Strong of the Trillium Group, a venture capital group located in Rochester, agreed that he's seen many new businesses

"starting and starving" for lack of funds. His group, he said, is willing to expand its efforts to the Southern Tier with a \$50 million fund to "provide adequate capital for start-ups and expansions." Brenda Copeland, president of Steuben Trust Co., headquartered in Hornell with branches throughout Steuben and Allegany counties, said one of the strengths of the region is its "strong community banking network."