

## **Talk CNY- Transcript for S1E12**

Andrew Fish 0:06

Welcome to CenterState CEO's semi monthly podcast, Talk CNY presented by NBT Bank.

Kate Hammer 0:12

On Talk CN, you get an inside look at the people, projects and planning moving Central New York forward.

Andrew Fish 0:18

I'm Andrew Fish, Senior Vice President of Member and Business Experience at CenterState CEO, Central New York's leading business leadership and economic development organization.

Kate Hammer 0:27

And I'm Kate Hammer, business coach and member at CenterState CEO. We are your hosts for Talk CNY. Take a moment right now to subscribe in your listening app for new episodes every other Wednesday.

David Kavney 0:38

We've got a fantastic opportunity in front of us in Central New York. It's going to take a lot of work, it's gonna take a lot of cooperation, collaboration, and NBT Bank really wants to play a meaningful role in that. We talked about it a lot internally, you know, as far as cooperating, but we we're going to need to come together as a community and really see that competitors in maybe similar industries, work together to get to a common goal given the scale of what's coming here. And that's that's going to be very important for Central New York.

Andrew Fish 0:38

This episode marks the halfway point of Talk CNY's first season. On today's episode, we welcome David Kavney, Regional President at NBT Bank, the presenting sponsor of Talk CNY, to talk about the progress he sees happening in this community and what financial institutions can do to support the growth and create local impact. Welcome, David, thank you so much for being here.

David Kavney 1:26

It's great to be here. Thanks, Andrew. Thanks, Kate. Looking forward to it.

Andrew Fish 1:29

Great.

Kate Hammer 1:30

So before we dive into our discussion, we would love to just hear a little bit more about you about your leadership. And NBT Bank.

David Kavney 1:37

Sure NBT Bank is actually headquartered about 60 miles south east of where we're sitting today in Norwich, New York. We're a bank that's over 150 years old. We provide personal, commercial and business and wealth management solutions for our customers across New York State, Pennsylvania and five New England states. So from an asset sense standpoint, we are \$11.8 billion in assets. What that means is it ranks us in about the top 100 banks in the country. So we bring a lot of size and scale to our customers, but also marry that with regional presence. So we can work very closely with our customer base.

Kate Hammer 2:13

And you, you in CNY. How did you get here?

David Kavney 2:16

Actually been doing this 34 years, so quite quite some time. And currently the Regional President of two regions for NBT Bank, Mohawk Valley, which covers Herkimer, Oneida and Madison counties, and Central New York, which includes Oswego, Cortland and Onondaga County, so very meaningful regions for our bank. And again, we've got a sizable presence in both regions. And we really try to marry the size and scope of the bank to bring technology and capital to our customers and match that up with very personalized service.

Andrew Fish 2:45

That's great.

Kate Hammer 2:46

Wonderful. Yeah. You mentioned that NBT Bank is a community bank. Can you get into a little bit more about what that means?

David Kavney 2:52

A great question, Kate. I talked a little bit earlier about our size and scale. So we've got the capacity to lend, basically, whatever our customers need, and work with them to that. But more importantly, or as importantly, we are well invested in their community. So as a community bank, we just we focus on just that, how does this project impact our community? How do we give back to the community, we spend a lot of time thinking about that for profit organizations, we serve on a multitude of boards, we've got very large employment base, in each of the regions we work in. So with that comes a responsibility to

take care of those communities, both financially, volunteerism, and it's just something you know, we really embed ourselves in our community. So you get back to what projects excite me, it's really anything that betters the area in which we all live. So it's, is that really always a financial decision? It's what is going to make it better for us to be here in Central New York.

Kate Hammer 3:04

Well, I love that.

David Kavney 3:42

It's great.

Andrew Fish 3:47

Yeah.

Andrew Fish 3:47

Tell us a little bit about some of the investments that NBT Bank has made in Central New York, and in some that you're excited about.

David Kavney 3:54

We've been working hard to support the economy in Central New York, for sure. You know, we've heard on previous podcasts about the need for housing as we go forward currently, you know, currently, and with the transformational change coming. So we played a major role in that across Central New York. And, you know, in particular, I would say the affordable housing space, they've got great experience in that space. Organizationally, we have done over 130 projects, I believe, for about \$100 million. And that's provided 6000 housing units in that affordable housing space. So great expertise, we just appointed Senior Executive Director to work with our teams across our whole franchise to really help that transform as we go forward.

Andrew Fish 4:32

That's awesome. We were we were just in the last episodes talking about, you know, the need for that. And it's great to hear that NBT is, you know, really leaning in.

David Kavney 4:39

I think that's going to increase as we go forward. So we're well positioned for it.

Andrew Fish 4:42

It's great.

Kate Hammer 4:43

So tell us a little bit about what makes a project or a program interesting to you. So obviously has to make business sense. But beyond that, what attracts you to something.

David Kavney 4:52

We do have shareholders so business sense is great. As far as interesting to me and our teams?

Kate Hammer 4:58

Yeah.

David Kavney 4:58

I would say anything that real really helps us forge forward in our communities, whether that be an acquisition, financing situation, a commercial real estate project construction project, which we all get to see the tangible benefits of I think that's great, because you can actually see what you helped construct. And also even increase working capital financing. We've seen a lot of growth with our customer base over the years, they need increased financing. We're there every time working with them closely to make sure they have within it.

Andrew Fish 5:25

That's great. So absolutely the ability for the bank to work with the businesses and support their growth. And, you know, we've seen tremendous transformation happening across downtown Syracuse across the region. But we know that rapid growth is coming even more. So now with, as you said, the transformational growth and Micron investment, all the things that are going to happen with that, what role does a bank like NBT have in supporting our communities, as we prepare for this change?

David Kavney 5:51

It's a it's the million dollar question or a billion dollar question. You know, I we're a community bank. So I think we feel that as Micron, enters this community and constructs the project and hires all the people, you know, we will benefit from that. But what we're really trying to do is two things initially, it's, again, it's very early on in the process, but one educate our customers, we've got a lot of customers that living in Central New York have not really experienced this before we've seen actually the reverse, we've seen companies move out. But this is so exciting, because we've got a significant investment coming in to Central New York. So how do they navigate through this? How do they position through it? We we've had, we've had experience over in the capital region with Global Foundries we have a very large NBT presence over there. So we're working very closely with our counterparts in that region to make sure we can really tell our customers here in Central

New York, here's what we learned over there. It was 10 years ago, when they finally finalized construction of capital foundries. We want to make sure customers are produced positioned with the capital they need, working capital financing, do they need increased facilities? Do they need to partner up with other companies in this region to get to a common goal somewhere. So we're trying to play that role, be a business advisor, be a great community partner. And along with that, we're also trying to focus on on the workforce needs. You know, we've heard a lot about that also in previous podcasts. And we're right now navigating through how do we help really those disadvantaged youth navigate their way to benefiting from what's coming to Central New York, it's exciting for everybody. And we say internally a lot, the rising tide should lifts all boats. And we really want to make sure the rising tide lifts all boats in Central New York. It's very important to us as a company.

Kate Hammer 7:32

Can you expand on that a little bit and tell us more specifically, what did you see in the other regions that you can take from what you can learn and then bring back to what you do here in Central New York?

David Kavney 7:41

Sure, sure. In the capital district, so capital region, which had Global Foundries constructed facility, I think they finished in 2013. So we've got a 10 year run rate and operations over there. There's been significant investment in housing in various businesses, we've got commercial and industrial customers who have needed significantly increase working capital lines of credit to support both the business there, but that's now transcended along the Thruway to, for instance, Wolfspeed, over in Utica, that was constructed and finished last year, they're on the ramp up stage right now. So what did we learn? Well, if you can work with one of these companies, you may end up working with others, and it can really transform your business. So we're really trying to prepare our construction customers, or contractors or developers with what we've learned in that market. Many of them are already paying close attention to it, but also our smaller companies. There's going to be a lot of business that falls below the Micron construction level, and we want our smaller customers, our business banking customers and smaller commercial customers to really be prepared for that. So we want to be there for them. So we're thinking about how to communicate that and make sure they're, they're ready for it. But that's something we learned in that market. And in all honesty, over in the Mohawk Valley between Wolfspeed and the Win Hospital, which will be done at some point this year, there's been a significant transformation in that downtown area. Yeah, we've been involved in several multifamily housing projects, and they've got extremely well. We're really working with other companies to make sure we can learn, we can use what we learned in that market over here in the Syracuse area. So you know, organizationally, we're learning and we're trying to pass that information along to our customers.

Andrew Fish 9:18

You know, it's interesting, we've, we've had a lot of conversations with our members. And, you know, we recognize like the growth that's coming, they can't just "business as usual" anymore, right? And so one of the things that we are both excited about, and also, you know, concerned about as it relates to our existing businesses that are here that, you know, we've said this many times, we're gonna say it again, never would have been in a position to even tell the story to land a company like Micron, if not for what they've done in this community for decades. And, and the, you know, commitment they've had and the investments that they've made, but we know that we're going to see national firms that haven't been in this market before now starting to arrive and look at this market in a different way, right? And and is that something you've seen in those other regions as well, that the competition actually increases?

David Kavney 10:02

I would say yes, you know, and it's it's funny, you just brought that up. Because I know over the Mohawk Valley and Utica, for instance, there has been some developers that have entered that market from I'll call it the Syracuse area. Also the Albany area, which traditionally maybe has not paid too much attention to log value to go roam area. They've done some very nice projects. And I think if you expand that, because currently Wolfspeed is about 325 employees. So they're about halfway to their employment goal of 615 or so. Meaningful project to that that region, but not anywhere near the scale of what we're going to see here in Central New York. So if you take what we learned there that outside investments coming in, I would say on a much larger scale. Yes, we should see that here. We're going to actually try to get out and visit some other regions across the country that have experienced some chip fab growth and see what some of our peer banks, non competitors of ours in those regions, where did you learn? What did you experience? We just need to educate ourselves and educate ourselves so we can educate our customers. I mean, it's just something we've never experienced. As I said, 34 years. Unfortunately, we've seen some things go the other way. But excitingly, you know, we've got this come and it's fantastic. It's real.

Andrew Fish 11:11

Yeah, for sure. You know, as an organization that focuses on community change, we recognize that our financial institutions writ large, but especially those that are focused on the community, like NBT is, are going to be key partners for us right in the challenges and the opportunities that we have ahead of us. You know, we we look at all of the great growth that we're gonna experience and know that there's going to be some things that we're really gonna have to focus on and be innovative and creative and create partnerships to fix. You know, one of the things that's continuously a hot topic, and we talked a little bit about

housing, the workforce development is one that we know is going to be major impact. And, you know, continues to be a challenge today, let alone the growth that's coming. So I'm just curious, you know, you talked about NBT looking at some workforce development opportunities and things. Why is that important to an organization like NBT bank? Why does that rise to the level of something that you want to get involved with? And you want to be a part of?

David Kavney 12:03

That's a great question. You know, as a community bank, again, back to that, that the focal point, we, you know, this is our community. And as you think about the community, it does include everybody. And one of the aspects of this is you guys are doing a great job with community workforce development aspects as several other organizations are. But we're trying to figure out how we as a bank can fit in in a small way in a meaningful way, in a targeted way, to really help those that have not had the advantages that many of us have had in the past. It's, it's very important to us organizationally. Our CEO, John Lot has been extremely passionate about this, and rightfully so. And it's been driven right through our organization. And it's something that is going to be more meaningful as we move forward, because the entire community needs to benefit from this. And we feel very strongly about this. So how do we bridge some of our youth and, and kids that have not been served all that well educationally in the past to certification programs to some of the union programs to some of the now one two year certification programs into the STEM area? So we've got it we're trying to figure out in our, in our piece of the world, how that's all going to work and how we can fit in and I hope over the coming weeks, we can we can announce something meaningful we've we've put together.

Andrew Fish 13:16

Sounds exciting. Can't wait to see it.

David Kavney 13:18

I can't wait either.

Andrew Fish 13:19

Yeah, we're going to take a short pause, because it's very important for us here that we acknowledge our sponsor, NBT Bank. Yes, absolutely. So we're going to take a short break, and we'll be right back after a note from NBT Bank, Talk CNY's presenting sponsor.

David Kavney 13:34

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Kate Hammer 14:05

This is Talk CNY and we are back with David Kavney from NBT Bank. We love hearing about what makes our guests super excited. So I think what we would like to ask you is as we look into the future of CNY, what is your big hope, your dream, your goal that you have for this community?

David Kavney 14:24

Wow, great question. No, I, I guess I would say I've lived here my entire life. I grew up in Marcellus, just outside of Syracuse to the west a little bit. I'm 55. I've watched an awful lot happen across Central New York in those 55 years. And if anyone that's my age has seen some some drain over the years of our youth of our companies or manufacturing and, and things happen and we'll probably financially for good reason. But you know, we're really focused on the future. And as I as I think about what's going on across the Thruway corridor and other regions and not what's coming here in an impactful way, I am really excited about just living here. I've got I've got two daughters, and one has lived her whole life when actually graduated from college and moved away and moved back. And that lets me know, it's it's great stuff. And we're starting to hear more and more than that. And that's my vision and my hope for the future. As you think about Central New York, we've got four great seasons, many people don't like the winter, but if you're a skier, or snowmobile, or an ice fisherman, you do like the winter. So if you think about what we have to offer, geographically, from a natural resource resource standpoint, quality of life, it's unbelievable. And if you add to that, this impact that we're going to have going forward and think about the different cultural impacts we have, you know, we've got a fantastic zoo. And we may marry that up to a new aquarium. I don't know. But I think from a cultural standpoint, that's fantastic. So the more we can bring into this community, the better quality of life for everyone. And I actually think about my kids, maybe someday grandkids and that quality of life. And that's really what excites me. I mean, I just, I just think the future is extremely bright for Central New York.

Kate Hammer 16:05

I love hearing that. That's wonderful. Yeah.

Andrew Fish 16:08

It's something that I think we've all longed for, right, and to be at a time where we can actually see that future as a reality now is really, really exciting. And you know, we're not going to, we're not going to enter that. Well, we had, we wouldn't have gotten to this point



without companies like NBT Bank and the companies that you support. And we're not going to, you know, successfully get into that next iteration, that new new version of the future of Central New York without those partnerships.

David Kavney 16:37

It's going to take a lot of cooperation and collaboration amongst competing organizations, different organizations. And I think maybe that'll teach us a little bit about what we need to do in the future to make sure this momentum continues.

Andrew Fish 16:50

Absolutely.

Kate Hammer 16:51

Yeah, we're so glad you're here to talk about how you've done that.

Andrew Fish 16:54

Thanks so much for joining us today. And we look forward to continued partnership between NBT Bank and Talk CNY in our future episodes.

David Kavney 17:01

It's been awesome. Thank you both.

Andrew Fish 17:03

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Kate Hammer 17:29

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