

# SULLIVAN COUNTY



*Mountains of Opportunities*

A Value Proposition for Investment  
In  
The Sullivan County Partnership for Economic Development



## STATEMENT OF PURPOSE

The purpose of this proposal is to outline the programs and services of the Sullivan County Partnership (“Partnership”) to better communicate the elements of the ‘program of work for the Partnership and the costs associated with carrying out specific activities. This proposal will establish clearly defined goals and set specific annual performance measures for calendar year 2009.

Sections I and II of this document provide an economic overview and assessment of the County including immediate challenges and opportunities.

Sections III and IV of this document are based on the economic development strategies for 2009 that were adopted at a Board of Directors retreat in December 2008. These strategies address the immediate economic development needs of the County and the region and take into consideration the depressed nature of the regional and national economy. As changes occur in the local and regional economy it is the intent of the Partnership to aggressively adjust its focus to better serve the businesses and residents of Sullivan County, taking into account the level of resources with which the organization can adequately achieve best results.

The Partnership will employ a multi-pronged approach to economic development with the understanding that no one method of creating investment and jobs will lead to positive outcomes, but rather, the cumulative affect of simultaneously addressing multiple economic development issues will bring about desired results. This multi-pronged approach is even more critical as the County and the region endure the worst national recession since the Great Depression. As of December 2008, the unemployment rate in Sullivan County increased to 8.6 percent up from 5.8 percent in December 2007. During the same period of time, the region has seen a number of large and small employers struggle to stay in business.

It is with these current economic conditions in mind that the Partnership has outlined this ‘Value Proposition’ for investment by the County in economic development, as well as for those seeking to invest in Sullivan County.

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## **I. INTRODUCTION**

The Sullivan County Partnership was established in 1994 to promote and coordinate economic development of both public and private businesses in Sullivan County in order to benefit the general public by enhancing the quality of life, improving the standard of living and protecting and preserving the environment for all inhabitants of Sullivan County. The Partnership later served as a vehicle to market and manage the outsourced economic development functions that were previously under the direct authority of County government. Throughout the past fourteen years, the Partnership worked to solidify its organizational structure; helped develop and strengthen relationships within the business community, local government and other service organizations.

The Partnership Board of Directors consists of twenty-seven members from predominantly the private sector, representing industries that include finance, banking, insurance, engineering, hospitality, agriculture, public relations, media, non-profit, healthcare, education and tourism. These accomplished individuals are volunteers who lend their business acumen and expertise to the organization for the ultimate betterment of the quality of both 'work' and 'life' in Sullivan County.

In December 2008, Partnership Board members held a strategic retreat to formulate an aggressive short term plan of action to guide the organization through the regional and national recession in 2009. While some of these initiatives focused on the infrastructure of the organization, a new set of targeted strategies were identified, many of which build on successes of the past fourteen years.

With the recession and its impact on the County's economic health in mind, the Board directed the staff to focus limited resources on initiatives that support attraction projects, as well as the retention and expansion of local businesses. In addition, the Board directed increased collaboration with other economic development stakeholders to leverage existing relationships in a manner that eliminates duplicative services and maximizes limited resources.

Recently, the Partnership welcomed the additional responsibility of coordinating the County's Empire Zone Program. The tax credits offered by the Empire Zone Program enhance the Partnership's portfolio of services and are consistent with the Partnership's mission.

## **II. COMMUNITY ASSESSMENT**

In assessing the state of local, regional and national economies, the Partnership takes a practical and common sense approach in analyzing indicators, economic development programs, and marketing programs.

## **A. Economic Overview and Assessment**

Over the past three years, there has been a critical mass of high profile projects coming on line in Sullivan County. These projects reach beyond Sullivan County and have the ability to dramatically increase the number of visitors, visitor spending, and rateables to municipalities on an annual basis. In addition, opportunities still exist for business attraction, retention and expansion, even in the midst of a national recession which has resulted in setbacks for many businesses in the region.

There is clearly evidence of positive change in Sullivan County. The combined efforts of multiple public-private organizations, including Sullivan IDA, the Sullivan County Chamber of Commerce, Sullivan County Visitors' Association, grassroots community groups, the County Division of Planning and Environmental Management and proactive Townships have resulted in visible and viable change. The Partnership, together with these organizations, have built upon these efforts by ensuring that tools, resources and technical assistance are provided to the business community. These actions will secure the long term viability of investments in our county.

## **B. Challenges**

***Economic Development Challenges:*** Since the onset of the national recession, the County, much like the region and the nation, has experienced a decline in employment, a loss of businesses, and overall revenue. The following is a brief summary of employment and tax collection rates over the past year:

- Recent labor figures indicate that the unemployment rate in Sullivan County was 8.6 percent in December 2008. This figure represents an increase of 2.8 percent over the unemployment rate of 5.8 percent in December 2007 and is consistent with the unprecedented layoffs in the region and the nation.
- Sullivan County's sales tax revenue increased by over \$1.4 million from \$34.9 million in 2007 to \$36.4 million in 2008. The \$1.4 million increase is inclusive of a tax rate increase of a 0.5 percent which went into affect at the end of June 2007. However, when the 0.5 percent sales tax increase is factored out, there is still a slight increase in overall sales tax revenue of \$28,859.
- The County portion of mortgage tax collection decreased from \$1.8 million dollars in 2007 to \$1.1 million dollars in 2008. In addition, the mortgage tax collection that is apportioned to the towns and villages decreased by \$1.1 million from \$3.5 million in 2007 to \$2.4 million in 2008. Overall, these figures represent a decrease of almost fifty percent in mortgage tax collection, and supports the published reports on the contraction of the real estate market throughout the County and region.

- The County collected more Real Property taxes in December 2008 (\$28.5 million) than in December 2007 (\$24.8 million). When consideration is given to the additional collections that were made as a result of the towns' warrants, the collection appears to be about the same from 2007 to 2008.
- A comparison of the Sullivan County room tax collection from 2008 as compared with 2007 indicates that there was \$65,069 increase in 2008 when the total room tax collection was a \$614,737 as compared with \$549,668 in 2007. However, when these figures are adjusted to reflect the 3% increase in the room tax that went into affect at the end of June 2007, we find that there is a net decrease of \$44,323 in room tax collections. This could be attributed to the fact that the Villa Roma was closed during most of the time period covered in the tax collection report.

In addition to the previously mentioned declines in revenue to the County, there are other areas that require attention:

- Additional developable sites;
- Attraction of businesses;
- Decreasing student populations;
- Educational opportunities;
- Impact of rising local taxes and municipal costs;
- Infrastructure including municipal sewer and water, electric and broadband;
- Retail options;
- Skilled workforce capable of meeting the demand of our changing economy;
- Workforce housing;
- Year round critical mass of consumers

### **C. Opportunities**

*Economic Development Opportunities:* While the economic challenges are great, the County remains poised for investment based on the following criteria:

- Proximity to the New York Metro market is a catalyst for investment. Land, labor and capital have become increasingly less available and more costly in areas more proximate to New York City. The cost of land in Sullivan County remains competitive relative to other areas of the Hudson Valley.
- Aggressive promotion, development, and business support assistance provided by the Industrial Development Agency.

- Extensive tax credits offered by the Empire Zone Program. The Empire Zone tax credits facilitate new and increased investment on main street corridors by leveraging private investment. Despite early signs of a major reduction in Empire Zone benefits, there is evidence that reform will be limited.
- Imminent opportunities in the Stimulus Package to begin infrastructure projects in areas where development makes the most sense.
- Uniform branding campaign offering a single logo which will create top of mind awareness and consumer recognition for Sullivan County products and services.
- Increased visitors to The Museum at Bethel Woods, The Bethel Woods Center for the Arts and the Harvest festival. These new educational and entertainment venues have created over 200 jobs and infused new life into the tourism and agricultural industries in Sullivan County.
- Expanded and new venues for the sale of agricultural products. These new venues capitalize on the recent "Buy Local" initiative which has at its core the health and environmental benefits of buying locally grown farm fresh goods. Over the past two years, the County's five Farmers' Markets have expanded to include two holiday markets in Liberty and Callicoon. These markets not only offer new and expanded venues for the sale of locally grown products; they also assist in the preservation of the downtown districts because they lend themselves to increased foot traffic on Main Street.
- Passage of New York State farm distillery legislation in 2008 which permits small batch production of distilled spirits. Our agriculture environment has attracted two ventures to the County that anticipate being operational by early 2010.
- Revised and updated comprehensive plans prepared by local municipalities. These revised and updated comprehensive plans increase the level of municipal preparedness to capitalize on development opportunities.
- Maintenance of relationships with several tribal nations concerning continuing efforts to site a casino in County.

### III. PARTNERSHIP ACTIVITIES FOR 2009

It is our philosophy to adapt certain core initiatives to ensure that the organization's program of work is consistent with the demands of the current economic climate. To this end, the Partnership has identified the following as "*Priority Areas for 2009*":

#### A. Long Term Corporate Attraction

The Partnership will focus its efforts on the attraction of businesses that will expand and enhance the existing base of tourism, agriculture, and green development industry clusters.

- Tourism remains a leading driver of our economy in Sullivan County. Each year this industry generates more than \$290 million dollars annually in Sullivan County. More than 4,000 local residents work in tourism related jobs and the industry generates over \$18 million in sales tax revenue. Our Visitors Association markets Sullivan County to a nationwide consumer and business audience and continues to promote Sullivan County and its numerous opportunities to the traveling public through visitors' guides, trade shows, and specialty publications that feature arts and agri-tourism businesses.
- Agriculture is the second largest industry in Sullivan County. There are currently 382 farms which collectively generate total annual revenue of \$78 million. When the economic impact of the turn over of each dollar is taken into consideration, total revenue is increased. Over the past ten years, there has been a two percent decline in the number of dairy farms throughout the County compared to at least a ten percent decline throughout the State of New York. Despite current local and regional economic conditions, the future of agriculture looks promising because of increased demand for locally grown, 'clean' farm products. The result has been an explosion of the number of new niche farms throughout the County. The anticipated build out of the Red Meat Processing Facility in Sullivan County will create additional value-added opportunities for local and regional farmers. Over the next few months, the Partnership will work aggressively with the IDA and the County ensure that the Ag and Light Industrial Park remains positioned for Stimulus monies. In addition, the Partnership will work with the IDA to attract businesses, including Red Meat Processing Facility Operators to Sullivan County
- Green development remains a fast growing industry sector with a significant portion of stimulus monies dedicated to Green projects across the nation. Here in Sullivan County, the anticipated Green Technology Park ('G-Tech') and the Center for Advanced Sciences and Technology ('CAST') at the Sullivan County Community College

will position the County as a regional leader in both the development of renewable and sustainable technologies as well as in the education of an equally prepared workforce.

In the upcoming months, the Partnership will focus on the attraction of businesses that will both complement projects that have been the mainstay of our local economy (tourism and agriculture) and position the County for the next generation of economic development opportunities (green development). Partnership strategies that will enable successful attraction are:

- Direct marketing campaign to targeted green companies in North America to encourage relocation to Sullivan County. Relocation to Sullivan County will allow these green companies to strategically target and serve the concentration of business consumers within a five hundred mile radius from Sullivan County. Utilizing funds secured from a recent NYSEG grant award, the Partnership will collaborate with a consultant to develop and execute this marketing project. This project includes a direct mail outreach, e-blast follow-up, second direct mail piece, in-bound 1-800 phone capability, dedicated website interface, phone call follow-up and site visits.
- Greater collaboration with the Sullivan County Visitors' Association to ensure that both Partnership and Visitors' member base and contacts are positioned to avail themselves of the services that both organizations offer. The Partnership and the Visitors' Association have begun to exchange leads, contacts and resources.
- Greater collaboration with Cornell Cooperative Extension, Cornell University, and other agricultural stakeholders to ensure that agri-businesses are positioned to increase value-added offerings and expand their market share.
- Conduct market research activities thereby enabling the Partnership to analyze growth trends and capital expansion opportunities. This will be accomplished through the working relationship we have with the Hudson Valley Economic Development Corporation, Pattern for Progress, and the Empire State Development Corporation.
- Market and promote the value proposition for investment in Sullivan County through an aggressive marketing campaign, including leveraging of our membership and leadership role in the Hudson Valley Economic Development Corporation ('HVEDC'). Marketing will include attendance at relevant local trade shows, high level meetings with site selectors, corporate real estate professionals and industry leaders.

## **B. Shovel Ready Site Development**

Several years ago, the Partnership identified the need for ‘shovel ready sites’ and adopted a strategy to bring sites on line. This strategy continues to be a priority as a portfolio of suitable sites for development is critical to attracting new businesses to the County.

Moreover the impending deployment of Stimulus Package monies increases the urgency to identify the extent to which shovel ready projects can be permitted and “in the ground.” Partnership staff and board members have been fully engaged in all levels of dialogue with local, state, and federal officials concerning Stimulus Package issues. In addition, the Partnership has contributed to Stimulus Package discussions with labor, academia, and private sector leaders.

In expanding the number of ‘shovel ready sites’ the Partnership will engage and encourage all stakeholders to:

- Proactively streamline the permitting approval process to make Sullivan County more competitive in the economic development arena. The County’s first successful effort was the creation of a corporate park, the Emerald Corporate Center. The Partnership will continue its work with the County, IDA, and municipalities to not only market this site but identify and develop future sites.
  - A working relationship has been instituted with the Association of Supervisors to bring issues to the table and to generate dialogue with regard to economic development.
  - Individual town and village presentations have been made and are scheduled to address economic development issues. Community sentiment is gauged in connection with approved zoning and the realities of the market.
- Target only geographic areas that are receptive to development initiatives. The Partnership will focus its resources on facilitating the development of five shovel ready sites and placing two already developed sites, enumerated below, within the boundaries of the Empire Zone Program:
  1. The Liberty Agricultural and Light Industrial Park has received a negative declaration on its recently completed Environmental Impact Statement. The securing of stimulus dollars to support the infrastructure build out at this site is a priority.
  2. The Green Technology Park at Sullivan County Community College is currently undergoing its layout by Keystone Engineers. At present, State funding in an amount totaling \$3

million dollars has been designated for the Green Technology Park and the Center for Applied Science and Technology (CAST) Building. The Partnership will work with the college and other local and regional stakeholders to ensure that the Sullivan County Community College is positioned to receive the Federal match required to draw down the designated funds, , in addition, the Stimulus Package monies that have been requested.

3. The Sullivan County Airport Industrial Park recently received a boost to its infrastructure enhancement when Time Warner Cable approved the provision of high speed internet access from State Route 55 to the park, the Airport and to additional commercial sites in the vicinity. This infrastructure enhancement is exemplary of the Partnership's leadership efforts in collaboration with the IDA and the County.
4. The Emerald Corporate Center will be included in the Partnership request for an Empire Zone boundary amendment this year. The placement of the Emerald Corporate Center within the Empire Zone boundaries will increase the marketability of this existing shovel ready site by offering a number of financial incentives to prospective companies. Plans are progressing swiftly to bring another Class A office tenant to the Emerald Corporate Center and, with that, the prospect of a home for the Sullivan County Economic Development Corporation. The Partnership concurs with the logic that contemplates having all economic development agencies housed in one location.
5. The Frontier Building includes over 150,000 square feet of Class A office space in Sullivan County. The Partnership, in collaboration with Pyramid Brokerage Company, will market this space to prospective businesses through our existing network of Site Selection Consultants. This site will also be considered for inclusion in the County's Empire Zone Program boundaries.
6. The Glen Wild Industrial Park continues to attract interest from businesses not dependent on heavy water and sewer usage. The Partnership has developed marketing material for this site.
7. Main Streets as Shovel Ready Sites – The Partnership, in conjunction with New York State Empire State Development Corporation ('ESD'), is reviewing the zoning laws for the "Main Streets" of Monticello, Fallsburg and Liberty to develop a strategy that may permit a broader range of businesses for these areas.

8. The Partnership is also working with the County Grants Department to bring a “Restore New York” grant to Sullivan County and a designated project. This funding may be significant and, if received, will have a long-lasting, meaningful impact on our community.
  9. The Partnership has hosted a contingent of professionals from the New York City ESD office to discuss deployment of a “Distressed Neighborhood Initiative” in the County, specifically for the “main streets” of Monticello, Liberty and Fallsburg. This is a grant program that seeks to create economic development opportunities for certain distressed communities as identified by 2000 census tract information.
- Develop an inventory of shovel ready commercial properties in collaboration with the Sullivan County Board of Realtors. The Partnership will assess submissions and approach respective town officials for input on shovel ready site planning. In addition, the Partnership has begun to share site inquiries with the Board of Realtors. This renewed relationship has been extremely successful as realtor submissions have resulted in quality candidates for site selection review.
  - Execute its mission to create an inventory of shovel ready properties through the direction of the Shovel Ready Site Committee, chaired by Alan Zuckerman of Verticon Ltd. This committee has the most volunteer participants and is active and dedicated to execution of the Partnership mission.
  - Market shovel ready sites through continued collaboration with HVEDC, ESD, and private corporate site selection professionals. The Partnership will ensure that Sullivan County’s sites are marketed to the full extent to attract potential businesses seeking to locate in the Hudson Valley region.
  - Expand on initial efforts with HVEDC and ESD to develop a Site Selection Inventory of Shovel Ready sites in Sullivan County. This will facilitate the identification of the development needs and marketing of existing sites.

### **C. Workforce Development**

The labor market in Sullivan County offers a relatively ample supply of qualified workers for certain industries at regionally competitive wage levels. Approximately 75 percent of the Sullivan County workforce lives within the County, with the balance commuting from neighboring counties.

In 2006, an independent study (The Pathfinders August 2006) estimated a total civilian labor force of 332,000 people in the Sullivan County labor shed, which includes Sullivan, Delaware, Orange and Ulster counties in New York, portions of Wayne and Pike counties in Pennsylvania and portions of Sussex County in New Jersey. Within this zone, approximately 95,800 (29% of labor force) identified as 'available' in terms of new employment - either because they were unemployed and actively seeking employment, looking to reattach to the workforce or interested in transitioning to a new career.

These numbers have increased drastically as the region's employers cope with the effects of a national recession. Sullivan County's unemployment rate spiked to 8.6 percent in December 2008 up from 5.8 percent in December 2007.

During 2009, the Partnership, in anticipation of the County's workforce needs, has created a new Workforce Committee to serve as a tactical tool for addressing workforce issues. The Workforce Committee will enlist the resources and expertise of the Sullivan County Community College, BOCES, and the Sullivan County Center for Workforce Development to better coordinate the delivery of services that will position the County's workforce to respond to emerging opportunities.

In late 2008, the Partnership developed an *Employer Survey* in conjunction with the Sullivan County Chamber of Commerce. Under the academic stewardship of Dr. Stephen Mitchell, Dean of Workforce Development at Sullivan County Community College, the survey was designed to illicit responses from employers that will help the Partnership better ascertain workforce issues that are important to existing businesses. In addition, the survey seeks information from employers concerning their intention or ability to enter the "green economy." The survey has been completed and the results are being analyzed. The Partnership will publish the results to our membership and then, ultimately, to the public.

Working with the New York State Department of Labor, the Partnership has created the "Sullivan Business First" team. This local and regional amalgam of agencies and organizations is dedicated to addressing, in a purely tactical manner, workforce issues that arise from attraction, retention or expansion projects. A copy of the "Team Matrix" is included in this package.

#### **D. Empire Zone Program**

New York State's Empire Zone Program is designed to stimulate economic growth through a variety of State tax incentives to attract new businesses, expand existing ones and create more jobs. Financial incentives include: Wage Tax Credit, Sales Tax Refund, Investment Tax Credit, Zone Capital Credits, Employment Incentive Credit and Utility Rate Reductions. Since its inception in Sullivan County in July, 2001, more than 170 businesses have been certified, accounting for over 2,914 jobs and \$230 million in capital investment.

The Partnership now administers the Empire Zone Program to facilitate business attraction and expansion. In addition, the Empire Zone Program's incentives complement the Partnership's existing portfolio of financial offerings which include Sullivan Investments Revolving Loan Fund, the Incubator Without Walls Revolving Loan Fund, the New York Main Street Grant Fund and the Millennium Pipeline Revolving Loan Fund which is anticipated to come on line by Summer, 2009.

In administering the Empire Zone Program, the Partnership executes all duties relative to the administrative oversight for the program on behalf of the County and the Empire Zone Administrative Board. These duties include but are not limited to the following:

- Ensuring timely and correct filings for Zone Capital Credits
- Preparation and submission of Business Annual Reports
- Preparation and submission of Zone Annual Reports
- Provision of technical assistance to businesses completing applications for Empire Zone certification
- Technical Corrections and Revisions to Empire Zone Boundaries
- Maintenance of Empire Zone Program files

In 2008, the Partnership completed and submitted all documents relative to the processing of the Business Annual Reports and Zone Annual Report to the New York State Empire Zone Program within all prescribed timeframes.

While the Governor has proposed drastic changes to the Empire Zone Program, which may result in significant reform, the business leads and relationships that now exist will continue to under the Partnership's business retention efforts.

In February 2009, The Partnership convened the annual seminar on the tax preparation and filing for Empire Zone and Brownfield tax credits. Presenters included representatives from the New York State Department of Taxation and Finance, New York State Department of Environment Conservation, Barton & Loguidice, and The Partnership. Attendees included Certified Public Accountants, municipal elected officials, business owners and developers. The seminar was sponsored by Provident Bank, Hudson Valley Economic Development Corporation and Pyramid Brokerage Company and participating Certified Public Accountants received 3 CPE credits.

#### **E. Business Expansion and Retention**

Business expansion is a critical component of the Partnership's 'Program of Work'. With the support of the Sullivan County Legislature, the Partnership has redirected its focus on expansion opportunities for a wide range of businesses, in addition to remaining committed to Main Street development. As most job creation comes from expanding businesses, this area of focus is a natural given the competitive nature of attracting new large national corporations to our area. If the Partnership can help create one hundred new jobs through the expansion of existing businesses, it is equivalent to recruiting one

hundred new jobs. In addition, the added benefit of assisting and stabilizing existing companies creates good will for a company within the community it has operated.

The Partnership facilitates business expansion and retention through:

- Advocacy of issues that either impede or would assist expansion.
- Business to business introductions to enhance the production of goods and services or provide financing.
- Development of new value added products to diversify businesses' offerings.
- Educational seminars that track industry trends, best business practices, and offer information on financial incentives.

#### **F. Entrepreneurial Development**

With a contracting economy come challenges and opportunities for entrepreneurial development. Through two programs administered by the Partnership, the *Sullivan Investments Revolving Loan Program* and the *Incubator without Walls Revolving Loan Program*, the organization is positioned to provide financing, along with technical assistance, to many new and existing businesses. As a result, many of these businesses remain viable over the years providing revenue and increasing rateables to local municipalities. The Partnership's loan programs are low interest loans created to provide gap financing when private equity and conventional lending are not enough to fund a proposed project. Yet, as industry norms indicate, there is a high failure rate among start-up business.

In an effort to better prepare those seeking to enter into a business venture; the Partnership refers entrepreneurs to the Sullivan County Chamber of Commerce and the Small Business Administration for training seminars, business plan development and technical assistance. These resources are integral to increasing the success rate of local entrepreneurs. The Revolving Loan Committee of the Partnership is comprised of local bankers and other professionals that employ a vigorous, yet practical approach to loan underwriting.

#### **G. Educating our Members, Partners and the General Public**

Increasingly, the Partnership views as one of its roles, keeping its membership, partners and the general public informed of trends and programs that might impact their investment decisions. To this end, the Partnership will offer the following:

- a) *Seminars* - i.e. an Empire Zone seminar for the tax preparation and filing for Empire Zone Benefits. The goal of the seminar is to help

communicate, in a simplified manner, some of the confusing elements involved in the Empire Zone Program. Whenever possible, the seminar will offer continuing education courses for Certified Public Accountants in the Hudson Valley Region.

- b) *Multi-media Updates* – through publications such as *The Sullivan County Business Perspective*, *Bi-weekly E-Blasts*, Website articles and other frequent updates, we identify trends that assist businesses in making corporate decisions.
- c) *Informational Workshops on economic development initiatives that will impact the community at large*—through collaboration with Sullivan County Division of Planning and Environmental Management, Sullivan County Community College, BOCES and other stakeholders, the partnership will hold informational workshops on timely topics such as gas drilling.

#### **H. New York State Main Street Grant Program**

The Partnership continues to receive and evaluate applications for grants for façade and building renovations on behalf of the New York State Main Street Grant Program. In 2005, the Partnership was awarded a Main Street Grant in the amount of \$200,000 to support property owners in their efforts at revitalizing the downtown district in Monticello. Through participation in the Partnership's Main Street Grant Program, property owners are able to receive matching grants funds of up to \$50,000 for building and façade renovations. To date, the Partnership has awarded \$125,000 of its \$200,000 grant. By the end of the second quarter in 2009, the Partnership aims to finalize grant awards to assist property owners who continue to make meaningful investment in commercial buildings along Broadway in Monticello.

#### **I. Advocacy**

The Partnership continues to play a vital role in the non-political public advocacy of attraction, retention and expansion projects. It is the position of the Partnership that the central function of advocacy is education. When appropriate, Partnership staff or directors will attend private and/or public meetings to engage interested parties, publicly voice support and gather information for dissemination to Partnership membership or the public-at-large.

An example of this activity includes the presentation of a business case to Time Warner Cable to encourage the cable company to bring high-speed internet service to Airport Road in Bethel, which area includes the Airport Industrial Park and the Airport. After conducting a survey of all relevant businesses and county facilities, a meeting was held at the Airport Terminal building where Time Warner management reviewed the information. Ultimately, after initially determining not to proceed, Time Warner has committed to bringing service to the area within 45 days.

In the Summer of 2008, Blooming Grove Stair Company came to the Partnership to request help with certain building code issues that had arisen with the Village of Monticello. The situation had devolved to the point where the company was seriously considering leaving the County. The Partnership arranged a meeting between all interested parties and conducted a frank and open discussion about the pending issues. A tentative agreement was reached at the table and Blooming Grove Stair Company decided to maintain a presence in Sullivan County and continued the renovation of their building on Broadway, Monticello.

### **J. Committee Restructuring**

In December of 2008, the Board of Directors of the Partnership altered the organization's committee structure to better reflect strategic and short-term tactical goals. Partnership By-Laws require that committees be chaired by board members but members are permitted to serve on committees. In addition, where appropriate, persons with talents or contacts that will aid the mission of any particular committee (or the Partnership in general) may be asked to serve in an advisory role to a committee. Board chairpersons report to the full board monthly.

The list of Partnership committees follows, including chairperson, committee membership and committee mission.

#### **Shovel-Ready Sites**

***Chair: Alan Zuckerman***

***Current Members: Alan Seidman, David Fanslau, David Bors, Gary Holmes, Gerry Skoda, Gerard Fitament, Jay Weinstein, John Folchetti, John Lavelle, Heather Brown, Larry Wolinsky, Paul Taxter, Glenn Gidaly***

**Develops policies and strategies that advance the development of existing shovel ready sites, as well as determining sites appropriate for development.**

#### **Membership/Investment**

***Co-Chairs: Joyce Salimeno/Mike Dollard***

***Current Members: Bruce Reynolds, Gary Schmidt, Karen Fisher, Lew Klugman Lynn McDonald, Michael Dollard, Robert Ernst***

**Recruitment and retention of Current Members; dues structure and production of 'benefits package', oversight of grant responses, corporate sponsorship promotion, Annual Meeting oversight.**

#### **Governance**

***Chair: Larry Wolinsky***

***Current Members: Joyce Salimeno, John Folchetti, Lew Klugman, Gerry Skoda***

**Structural issues of the organization, including by-laws; nominations and ethics**

**Governmental Affairs**

**Chair:** *Josh Sommers*

**Current Members:** *Gerry Skoda, Glenn Gidaly, Jay Weinstein, Dr. Patrick Michel*

**Matters of importance to Partnership as it relates to governmental entities. To include: zoning, planning, legislation, code enforcement, and infrastructure. Facilitates communication with municipalities.**

**Workforce/Education**

**Chair:** *Patrick Michel*

**Current Members:** *Fred Stabbert III, Ron Stonitsch, Laura Quigley, Michael Dollard, Richard Riseling, Suzanne Loughlin, Terri Ward, Pamela Rourke, Stephen Mitchell*

**Analyze and respond to workforce issues, both case-specific and county wide, and monitor, advise and report on matters regarding elementary, secondary and college education, as it relates to the mission of the Partnership.**

**Finance**

**Chair:** *Glenn Sutherland*

**Current Members:** *Gary Schmidt, George Kinne, Lynn McDonald, Patricia Allison, Robert Ernst*

**Oversee financial operations, revenue development and financial reporting/audits. Monitor County and IDA funding, oversee Revolving Loan Committee.**

**Revolving Loan**

**Chair:** *George Kinne*

**Current Members:** *Dianne Brady, Jennifer Brylinski, Robert Ernst, Lynn McDonald, Joyce Salimeno, Glenn Sutherland, Mike Dollard*

**Advise and decide on distribution of monies in Partnership's revolving loan portfolio; and monitor loan performance.**

**Corporate Attraction**

**Co-Chair:** *Susan Diamond*

**Members:** *David Fanslau, Dr. Mamie Golladay, Gary Schmidt, Klu Padu, Richard Riseling, Tom Shepstone, Lew Klugman, Jay Weinstein, Frank Pisapia*

**Develops strategies to attract industry focus businesses in Hospitality/Tourism, Green Development and Agriculture, as well as all other attraction opportunities.**

## **K. Investment**

The Partnership derives revenue from both public and private sources. Revenue is divided categories: Investment (24%); Sullivan County (38%); Sullivan County IDA (22%); Annual Meeting (6%); Special Events/Fundraising/Grants (8%), Program Administration (2%).

Membership has remained fairly steady over the last 3 years varying between 193 and 203 members over that time. The Partnership eliminated “anniversary billing” in 2008 and converted to an annual billing cycle for all members. This was done for administrative efficiency purposes. While this improved our cash position for year end and early 2009, cash flow will be affected through the balance of the year.

With the upheaval in the banking markets, several larger banks have suspended their memberships. Local banks continue to be strong supporters of the Partnership, both monetarily and through the time commitment given by senior level bankers. In addition, our member engineering firms continue to play a strong role at the board and committee level. The Partnership has reached out to every bank in the County to reinforce our role and value to the banking community as a business resource – for professional support and lead generation. We expect to recapture several of the larger banks and hope to attract new bank membership from other regional banks.

In 2006, the Partnership participated as a community partner in one SBA 504 Loan with NYBDC which resulted in an administrative fee of approximately \$10,000. The Partnership has redirected its focus toward this program and we are pleased to report that there are three (3) similar loans in the pipeline now with NYBDC and we expect to receive administrative fees for these deals.

We have initiated discussions with the IDA to administer a portion of the Millennium Pipeline grant. On February 10, the IDA resolved to execute the grant agreement with Millennium Pipeline. Millennium Pipeline has dedicated \$1,000,000 to this program over a 10 year period and administrative fees will be generated by the loan program.

#### IV. PERFORMANCE MEASURES

There are several deliverables that the Partnership is contractually obligated to provide to the County of Sullivan that are quantifiable and measurable. They fall into the following categories:

**Category:** Provide marketing services to the County and private businesses.

**Initiatives in support of this category:** Marketing initiatives in collaboration with the Hudson Valley Economic Development Corporation, Empire State Development Corporation, Sullivan County Bar Association and the Sullivan County Board of Realtors

**Performance measurements:**

- Development of a shared listing of commercial properties for sale/lease in Sullivan County
- Referrals and timely response to attraction leads from HVEDC, ESD, Site Selection Professionals
- Marketing initiatives of shovel ready sites, including the Emerald Corporate Park, G-Tech Park, Liberty Ag & Light Industrial Park and Airport Industrial Park

**Category:** Promote and coordinate economic development of both public and private businesses in Sullivan County

**Initiatives in support of this category:**

Corporate attraction, shovel ready site development, business retention and expansion initiatives as well as entrepreneurial development and workforce development activities, and the financial tools available through the Empire Zone Program, Revolving Loan Funds, New York Business Development Corporation and the New York State Main Street Grant program

**Performance measurements:**

- The number of existing businesses that receive retention and expansion assistance
- The level of loan program activity including new loans provided to businesses
- The number and quality of business seminars developed/sponsored by the Partnership
- Technical assistance and support provided to businesses in the completion of the Business Annual Reporting process

**Category:** Engage in research and conduct studies to aid private and public businesses

**Initiatives in support of this category:**

Education, Advocacy, Workforce Development, Hudson Valley Economic Development Corporation Photo-voltaic Project, Marketing Studies to Attract Green Businesses

**Performance measurements:**

- Development and administration of surveys to businesses, municipalities and other stakeholders
- Marketing studies enabling Partnership to analyze trends and expansion opportunities
- Creation of a data base of shovel ready commercial properties
- Publication of results of 2008 Employer Survey
- Further investigation of Gas Drilling issues

**Category:** Collaboration with Federal, State and Local Branches of Government.

**Initiatives in support of this category:** Advocacy and networking with the offices of the Governor, Senator Bonacic, Assemblywoman Gunther, Congressman Hinchey, Senators Schumer and Gillinbrand, various state agencies (including ESD, DEC, NYSERDA, DOT), local municipalities, school officials and tribal governments

**Performance measurements:**

- Coordination/scheduling of meetings with elected officials to leading to informed decision making process
- Attendance at regional and local meetings to promote County, Partnership members the business community in general
- Coordinate with local Towns/municipalities on future shovel ready sites

**Category:** Communication and education

**Initiatives in support of this category:** Development of projects with Hudson Valley Economic Development Corporation, Board of Realtors, Bar Associations, Municipalities, other Economic Development Stakeholders

**Performance measurements:**

- Development of projects and informational workshops that enhance external stakeholders understanding of local issues
- Sharing Networking information and holding events for businesses.
- Membership meetings, offering speakers and information on relevant topics
- Media updates: Sullivan County Business Perspective, weekly E-blasts

<p><b>Category:</b> Finance/Grants</p> <p><b>Initiatives in support of this category:</b> Empire Zone Program, Main Street Grant Program, Revolving Loan funds for entrepreneurs and businesses, collaboration with NYBDC, Local Banks</p> <p><b>Performance measurements::</b></p> <ul style="list-style-type: none"> <li>▪ New loans to entrepreneurs and businesses who meet qualifying criteria</li> <li>▪ Administration and ultimate close out of Main Street Grant award</li> <li>▪ Technical assistance in support of Empire Zone Program applications</li> <li>▪ Lead generation for member banks and financial organizations</li> </ul>
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**IV. CONCLUSION**

Sullivan County, like the region and the nation, is facing the most challenging economic climate since the Great Depression. Over the past year, the County has experienced a significant increase in unemployment coupled with a decrease in tax revenue collection.

While these are challenging times, many opportunities still exist to bring or create new jobs and investment within the County, thereby, increasing overall ratables. Sullivan County’s leading industries have the capacity to weather the storm and expand to create new jobs and bring new investment into the County. New projects such as Entertainment City and the anticipated infrastructure build outs utilizing Stimulus Package monies will position the County to exploit emerging opportunities as the economy improves.

In the upcoming months, the Partnership will position the County and its businesses for future success by simultaneously focusing on business attraction and the development of new ‘green’ opportunities. With respect to business retention and expansion, the Partnership will assist local businesses by leveraging its financial resources, networks, and staff and Board Members’ expertise.

The Partnership will continue its leadership role in directing and keeping investment in Sullivan County. In collaboration with the County, IDA, Chamber of Commerce, Visitor’s Association, and local municipalities, the Partnership will lend its expertise to improve the outcome of our collective effort to ensure that Sullivan County continues to offer Mountains of Opportunity for those who already live here and for those who are seeking to locate in our backyard.