

# **DRAFT**

## **Mid-Hudson Regional Economic Development Council Meeting 4**

**Sullivan County Community College**

**October 6, 2011**

**3:00pm-6:00pm**

### **Meeting Notes**

#### **Opening Remarks**

Lt. Governor Duffy, and Regional Council Co-Chairs Len Schleifer and Dennis Murray welcomed the Council and members of the public to SUNY Sullivan County Community College for the fourth meeting of the Mid-Hudson Regional Economic Development Council.

Lt. Governor Duffy commended the Council on its hard-work. He reiterated that the Regional Councils will submit their plans on November 14<sup>th</sup> and that decisions will be rendered by the end of the year. He also noted that the work of the Councils statewide will continue beyond the strategic plan deadline. He added that the state continues to work on the CFA, noting that he understands it is not perfect but everyone is working to fix problems and make the process as smooth as possible.

Co-Chair Len Schleifer thanked Sullivan County Community College for hosting the meeting. He also thanked the chairs of the Council's working groups for their hard-work.

Co-Chair Dennis Murray opened the meeting with an overview of the charge that has been given to the Regional Council, including emphasizing job creation and retention in the region among large corporations, mid-cap businesses and small businesses. He stressed that the Council will not lose sight of the importance of small businesses and Minority and Women Owned Businesses (MWBs). Dr. Murray proceeded to review the components of the Council's Strategic Plan including:

- Conducting the SWOT analysis;
- Identification of principal economic drivers
- A list of goals and the economic vision of the region.
- Criteria draft for priority and CFA projects, noting that they will align with the goal of the strategic plan.
- Public Participation: noting that community forums have been held in five counties and that the Marist Institute will report on the findings of a recent poll of business leaders in the region at today's meeting.
- Regional implementation agenda and performance metrics

Dr. Murray then asked for reports from the Council's work groups. The reports are summarized below.

## Work Group Reports

### *Workforce Development Group*

Councilmember Aleida Frederico discussed the findings of the Workforce Development work group. She noted that the region has highly diversified workforce but there is a gap in the skills needed for today's job market. She discussed the following points:

- There are not enough youth educationally ready to pursue careers in the sciences
- There is a need to line up skills training with internships
- There are many unemployed workers who need training to understand how their current skills cross-over into other careers
- The region's training facilities are not accessible or transparent to job seekers

The group also had the following recommendations:

- Create centers for innovation in public and private educational institutions
- Assign liaisons to meet with businesses on what training is needed in the current workforce
- Refocus training on current business needs
- Create centers to help businesses expand access to capital and workforce
- Create connections between training, education and business clusters
- Use data to determine the future and present workforce needs of businesses both short-term and long-term.
- Establish a data-base for regional educational, training, business and entrepreneurship resources

### *Infrastructure Workgroup*

Councilmember Paul Ryan reported for the Infrastructure workgroup. He noted that the workgroup had participation from more than 20 people including representatives from agencies, counties and various industries. He described the following issues and findings of the workgroup:

- The region is poised to take advantage of unique strengths in infrastructure including airports, highways, and the Hudson River.
- Infrastructure investments should be targeted to economic growth areas
- There is a need for regional coordination and planning to consolidate plans, planning data and to provide key infrastructure to make sites businesses ready
- There is a need to improve the regulatory and approval processes for priority infrastructure projects
- There is an aging infrastructure that needs attention, particularly in transportation
  - Tappan Zee Bridge is critical to moving people and goods through the region but needs large scale improvements. NYS DOT priorities should include economic development as well as preservation
  - Public transportation improvements should be improved within cities and between municipalities
  - There is a lack of water/sewer infrastructure around Stewart Airport that is preventing growth in that area
- Infrastructure issues in communication include:
  - Lack of access to rural broadband

- Infrastructure issues in housing include:
  - The region should ensure that there is a diversity of available affordable housing, particularly for certain demographics including the aging population and for youth so that educated young people can afford to live and work in the region

The infrastructure group also discussed the following opportunities and assets in the region:

- Quality of life is a key asset and opportunity. Open space, the Hudson River, parks and preserves, clean air and water, historic and cultural sites, and farmland attract business and industry.
- The region's higher education institutions are a key asset for attracting businesses and we should encourage businesses to take advantage of this workforce
- The region's abundant water supply is an asset and opportunity. Conserving water and limiting development around the watershed can ensure that there are sufficient quantities of water available for businesses
- The region's planning capacity is an asset. The region should implement plans that have already been developed and continue to compile and assess existing plans.

### ***Performance Measures and Metrics***

Dr. Gerald Benjamin of SUNY New Paltz presented a power-point on performance measures and metrics. Dr. Benjamin presentation made the following points:

- Principals of measurement can be elucidated
- A bottom line can be identified
- Process, outputs and outcomes can be measured
- Define the goal: jobs, jobs, jobs
- Goal should also be to create a "virtuous cycle" whereby creating jobs today sets up a dynamic situation of continual economic growth
- Measures have to be reliable, familiar and understandable
- Measures should be countable. Auditing and oversight are important
- There are hundreds of available measures

Dr. Murray thanked Dr. Benjamin for his presentation and emphasized that the Council must be thinking about tight measurements when writing the plan to ensure that the results it will seek are produced.

### ***Access to Capital Workgroup***

Councilmember Carol Fitzgerald reported on the findings of the Access to Capital workgroup. She noted that access to capital is important for all projects. The group found that there is a lack of awareness in the private equity sector outside the Hudson Valley of the potential for growth in the region. The group's recommendations include:

- Create a Venture Capital Events where businesses are invited to present their investment opportunities
- Create a one-stop center for training and resources for businesses seeking private/public capital
- Create a peer-peer support network for all levels of businesses and different industries
- Create an electronic fund database to build awareness of micro-loans and other funding sources

## ***Marist Polling Institute Report***

Sue McCulloch from the Marist Institute for Public Opinion, presented on the findings of a recent Marist poll of regional business leaders.

### *The poll*

- Initiated a conversation with business leaders on the SWOT issues facing local businesses and identified a cross-section of business leaders including C-suite executives; economic development professionals and business leaders
- A range of opinions were expressed on the current business climate. In general, respondents expressed a pessimistic view of the current economy, but do plan to stay in the region and expect growth in the future. They do not expect large scale job growth in the near future, but do expect growth five-years out.
- Perceptions of barriers to growth include problems with state policies.
- Respondents expressed that the Mid-Hudson valley is a great place to do business but that NYS fell short, compared to other states. In terms of their responses
  - C-suite executives were more negative
  - Economic development professionals were more middle of the road in their responses
  - Business leaders were the most optimistic

### *Pros and Cons Overview*

#### Pros

- Location is an advantage “we are located between money (NYC) and power (Albany)”
- Quality of life is an advantage. Access to culture, arts, and nature are all assets.
- Respondents did note that residents of the region are resistant to development
- Infrastructure is robust and is an advantage

#### Cons

- It is expensive to do business in the Hudson Valley
- The tax structure is too complicated
- Too many regulations, too many municipalities and audit process is time consuming

### *Moving Forward*

- Respondents expressed excitement about the region becoming a technology hub, but that there is a need for attracting and retaining talent and for more specialized training.
- In general, respondents identified many obstacles to doing business in the region, but they are hanging in there and plan to stay. They want to see streamlined regulations, tax incentives, high-tech industry coordination between municipalities and prevention of the brain-drain.

### ***Industry Cluster Workgroup***

Councilmember Jonathan Drapkin discussed the current list of ten industry clusters currently under consideration by the work group. He noted that the Council must now decide if its approach in the Strategic Plan will be to treat all of these clusters as existing conditions or if the Council will consider the clusters as part of its strategies.

Dr. Murray asked that this issue be the basis of Council discussion following the public comment period.

### ***Public Comment and Q&As***

- Commenter expressed concern that there was not yet interface between the Council and housing developers. Housing is a critical issue in Westchester County. He endorses the housing related statement included in the report of the Infrastructure workgroup.
- Commenter requests that the Council considers the Catskills and Delaware River region in its plan
- Commenter spoke on behalf of the Beacon hotel and conference center development. He noted that the region has a lack of tourism infrastructure and this project would be a tourist destination project, bringing revenue and visitors outside the area to the region. He noted that permitting requirements are in place, but that the project needs a construction loan.
- Commenter stated that the Council cannot underestimate the value of the waterfront along the Hudson River
- Commenter stated that more attention should be paid to waterfront infrastructure and that the health of cities is key to economic development.

### ***Council Discussion of Next Steps: Industry Clusters and Strategies***

The Council engaged in a discussion about how the region's strategic plan should reflect and prioritize the clusters presented by the Industry Clusters work group and whether the plan should instead present a limited number of strategies, one of which would be the use of industry clusters. Several council members expressed their opinion that the Council should prioritize which industry clusters the plan will focus on for economic development, include those cluster priorities in one strategy, and develop up to two or three other strategies to incorporate other important regional themes and issues.

The Council also discussed the issue of recognizing the region's rich and diverse economic activity while also focusing on the areas that will achieve the most economic growth and job creation. The general consensus was that data should drive the decision making on which industries to prioritize and where to invest, that performance measures should be used to determine the success of that prioritization in the implementation phase, and that the plan should include strategies that reflect the Council's recognition of other important issues, including small businesses, infrastructure issues, quality of life and protection of the region's unique natural resources.

The Council discussed the alignment of the plan's strategies with the selection of CFA grants and priority projects and the direction from the state on the scoring system that will be used to consider strategic plans. It was noted that 35% of the total state score will be based on the Plan's strategies.

*Action Item:* The Council concluded that the Industry Cluster workgroup is now charged with coming up with the plan's strategies, including the use of industry clusters and two-three more. The co-chairs encouraged any member of the Council who is interested in working on strategies to participate in that workgroup's efforts.

Regional Council deputy director Thom Kleiner summarized the activities of the public participation workgroup, noting that community forums on economic development issues, assets and opportunities have been held in five out of the seven counties. The remaining two county forums, Westchester and Rockland, will be scheduled for later in October.

The fifth meeting of the Mid-Hudson Regional Economic Development Council is scheduled for Thursday, October 20. Location will be confirmed. The Council adjourned at 6:00pm.