

Assessing Opportunities for Economic Development: Building Businesses for Tomorrow in Columbia County

Columbia County Board of Supervisors



Baldwin Bell Green

September 24, 2008

Agenda

I. Overview and Approach

II. Economic Development Initiative Areas

1. Arts, Entertainment and Tourism

2. Senior Living

3. Sports and Recreation

4. Agriculture

5. Education

6. Communications and Branding

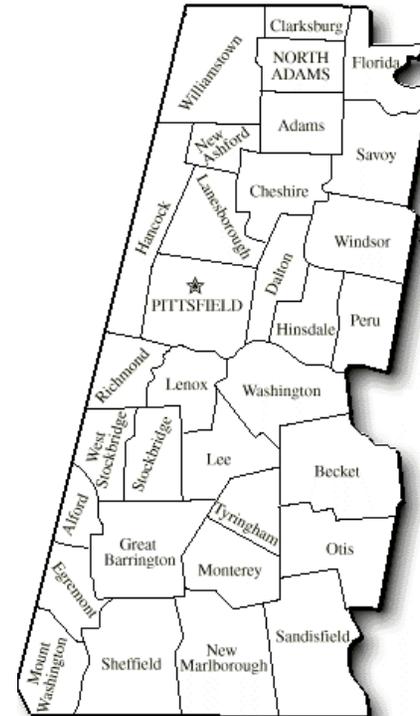
III. Summary of Economic Development Initiatives

I. Overview and Approach

Columbia and Berkshire Counties



Columbia County



Berkshire County

Population (Thousands)	63.0	131.1
Private Non-Farm Employment (Thousands)	16.3	58.5
Average Wage Rate (\$)	\$22.72	\$24.88
Income (\$ Thousands)	\$370.36	\$1,455.23

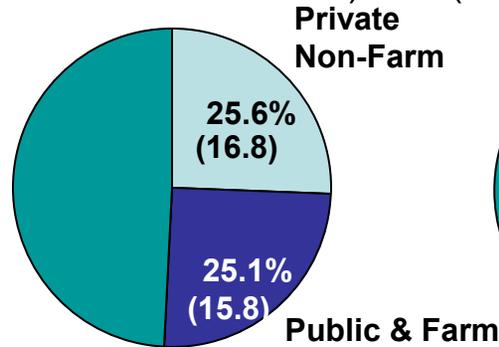
Columbia and Berkshire Counties

Private Non-Farm Employment By Sector

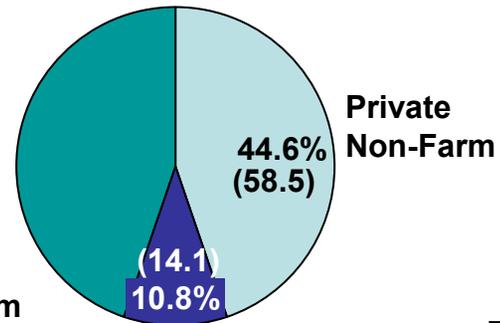
2005

Thousands

Columbia County
(100% = 63 Thousand)



Berkshire County
(100% = 131 Thousand)



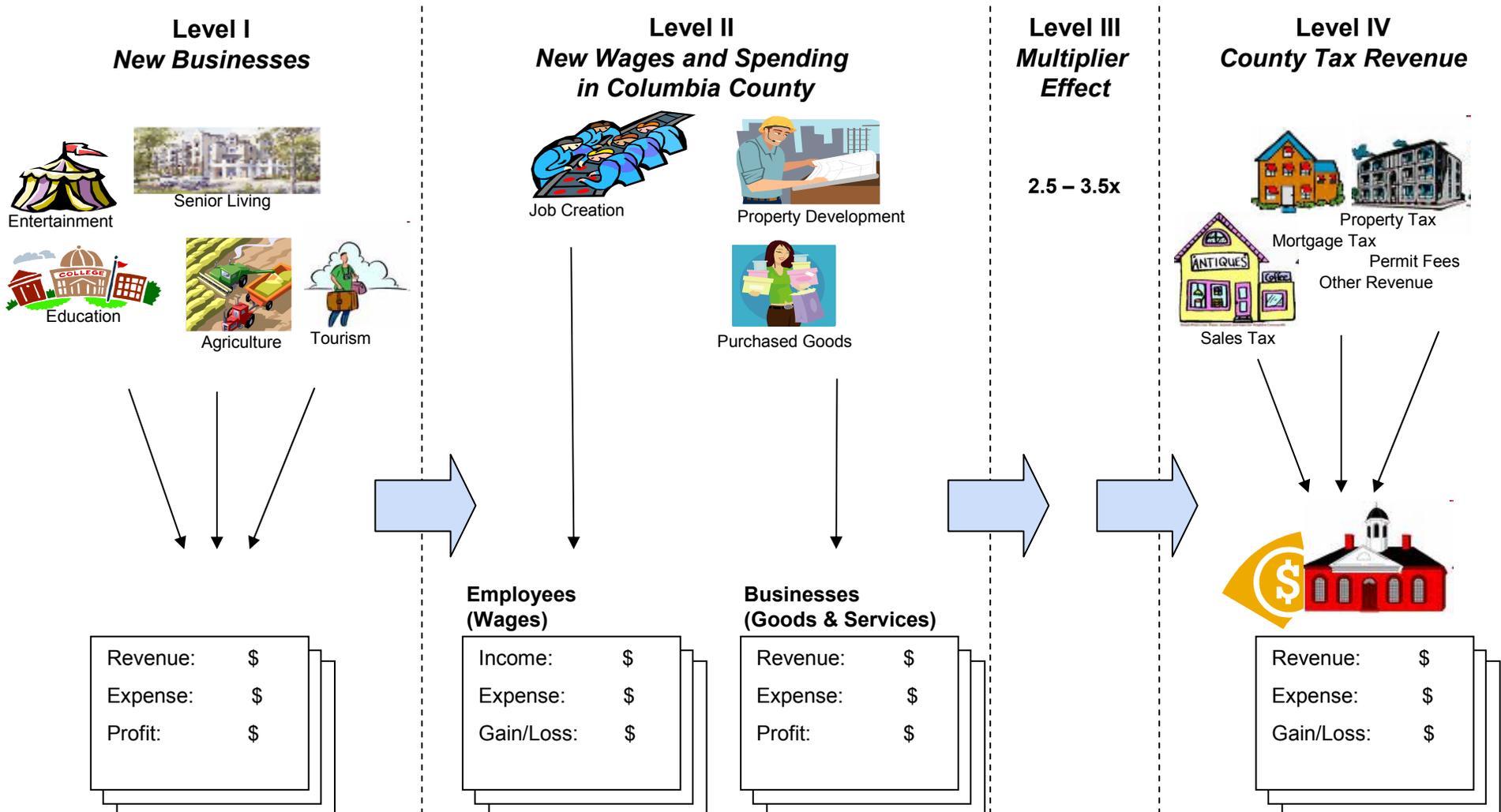
Private Non-Farm Employment	Columbia County	Berkshire County	Difference
Healthcare	6.7%	7.8%	-1.1%
Trade (Wholesale & Retail)	5.6%	8.0%	-2.4%
Manufacturing & Management	3.3%	6.2%	-2.9%
Arts, Accommodation & Food	2.5%	7.0%	-4.5%
Construction & Real Estate	1.6%	2.5%	-1.3%
Professional & Scientific	0.9%	2.7%	-1.8%
Education	0.5%	3.2%	-2.7%
Other	4.8%	7.0%	-2.2%
Total	25.6%	44.6%	-18.9%

Source: US Census Bureau; Baldwin Bell Green analysis

Economic Development: An Overview of the “Chain Reaction”

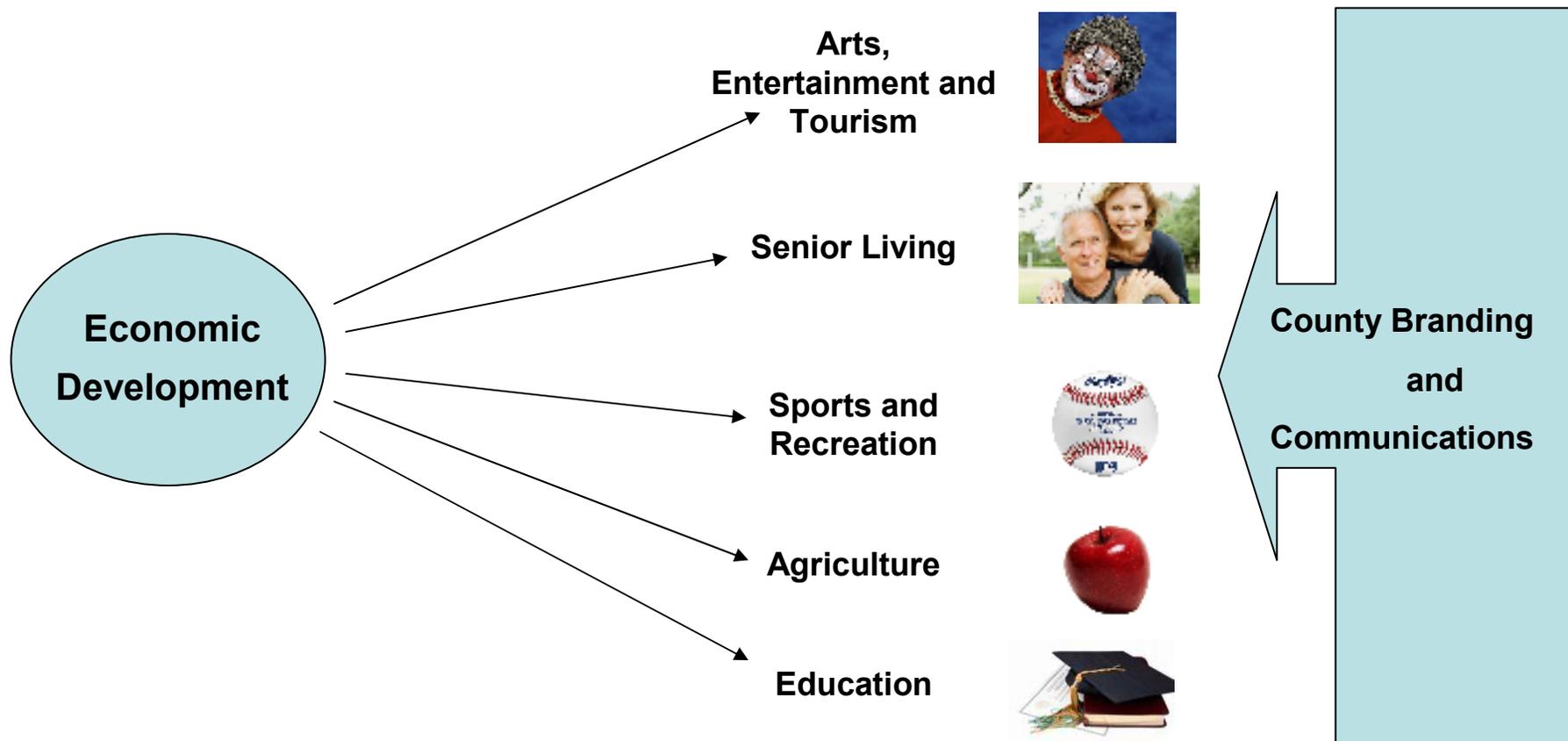
Economic development can have a substantial ripple effect on County economics.

4 Levels of Economic Development



II. Economic Development Initiative Areas

Over the past several months, a working group has investigated potential economic development initiatives. We will review the findings to date in each of these areas.



1. Arts, Entertainment and Tourism

We identified arts, entertainment, and tourism as key areas for new initiatives. Tourists provide great economic benefit because they do not place a demand County resources (e.g., social services, education) and their spending directly benefits County-based businesses.



Big Apple Circus's "Grandma" and friend

- **Incremental Spending.** We sought arts and entertainment activities that would bring to the County incremental spending – preferably attractive to both downstate and Metro Albany visitors.
 - A secondary benefit would be to retain spending that might otherwise leak out of the County.

- **Constraints.** Several constraints limited our choices (for now).
 - Lack of hotel rooms (400 versus 4,000 for Berkshire County).
 - Limited number of fully-equipped performance spaces
 - Need to avoid (but potentially leverage) competition from nearby activities
 - Desire to minimize cannibalization of other arts activities in the County.
 - Need for booking of performers 2 to 3 years in advance.

- **Initial Focus.** As a result, initially, Columbia County should concentrate on arts, entertainment and tourism initiatives that will appeal to “day tripper” visitors from the Capital District and Berkshire County around which other events can be built over time.
 - We want to create an anchor attraction around which a variety of other events can grow over time. The Big Apple Circus – high quality family entertainment – could be this anchor.

Big Apple Circus

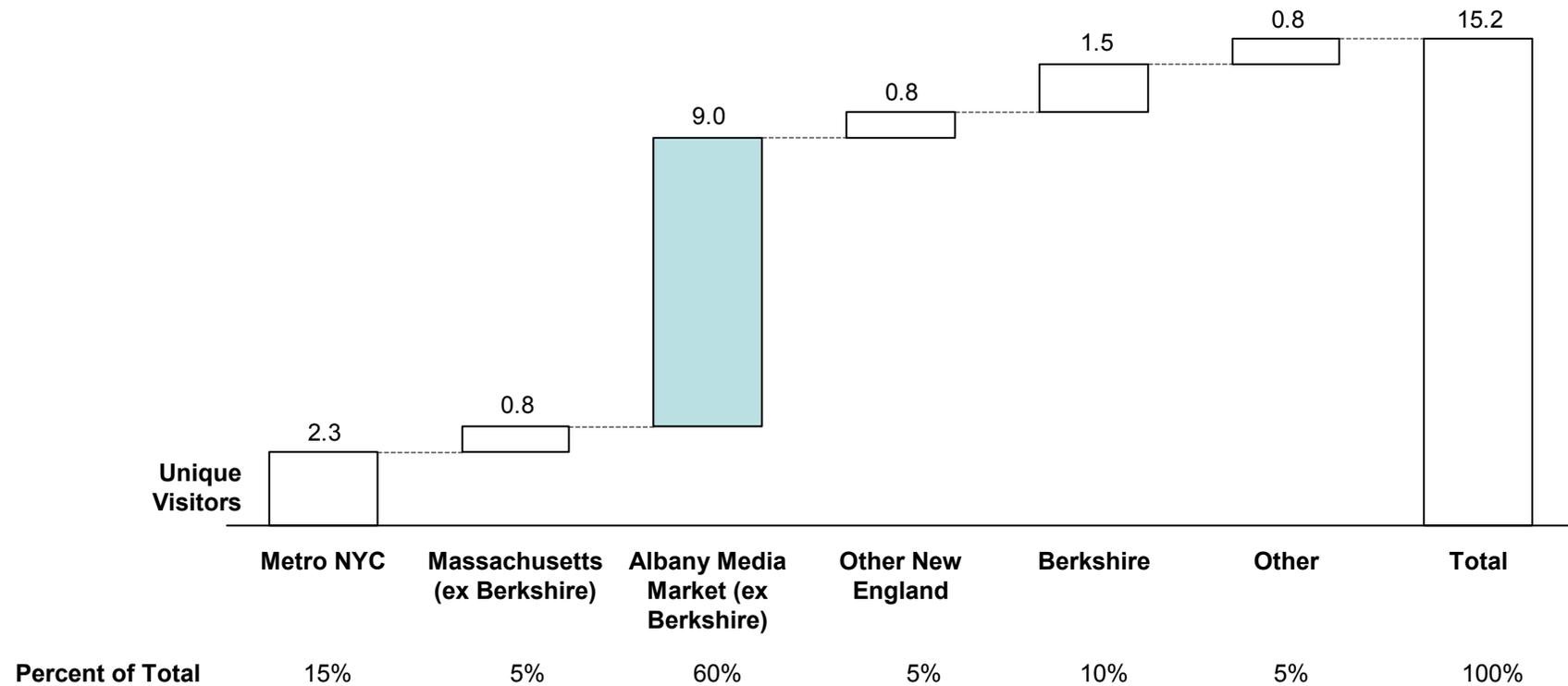
The Big Apple Circus is a non-profit, smaller-scale circus which has been in business since 1974.



- **Experience in the Region.** The Big Apple Circus appeared for years in Great Barrington, with considerable success. They have also appeared in Saratoga and in Vermont. They are not strangers to the general neighborhood.
- **Self-Contained.** The Big Apple Circus is a self-contained unit. They arrive in 76 trucks and they house themselves and provide their own performance venue (their 1700 seat tent).
 - Columbia County's relative weakness in performing arts infrastructure is not an issue.
- **Long-Term Relationship.** The Big Apple Circus typically establishes a long-term relationship with a place where they perform. They become "anchors" of entertainment for their venues.
- **Non-Profit.** Because they are a registered charity, it is possible to get foundation support for their performances, so that there are many ways to reduce the risk associated with an engagement.
- **Broad Appeal.** This is wholesome entertainment and with proper promotion can be a strong attraction to bring residents of the Capital District, Berkshire County, Dutchess County etc, to Columbia County.

Big Apple Circus would utilize the Albany media market as its primary source of visitors.

Big Apple Circus
 Unique Visitors by Origin – Projected
 Thousands; Percent

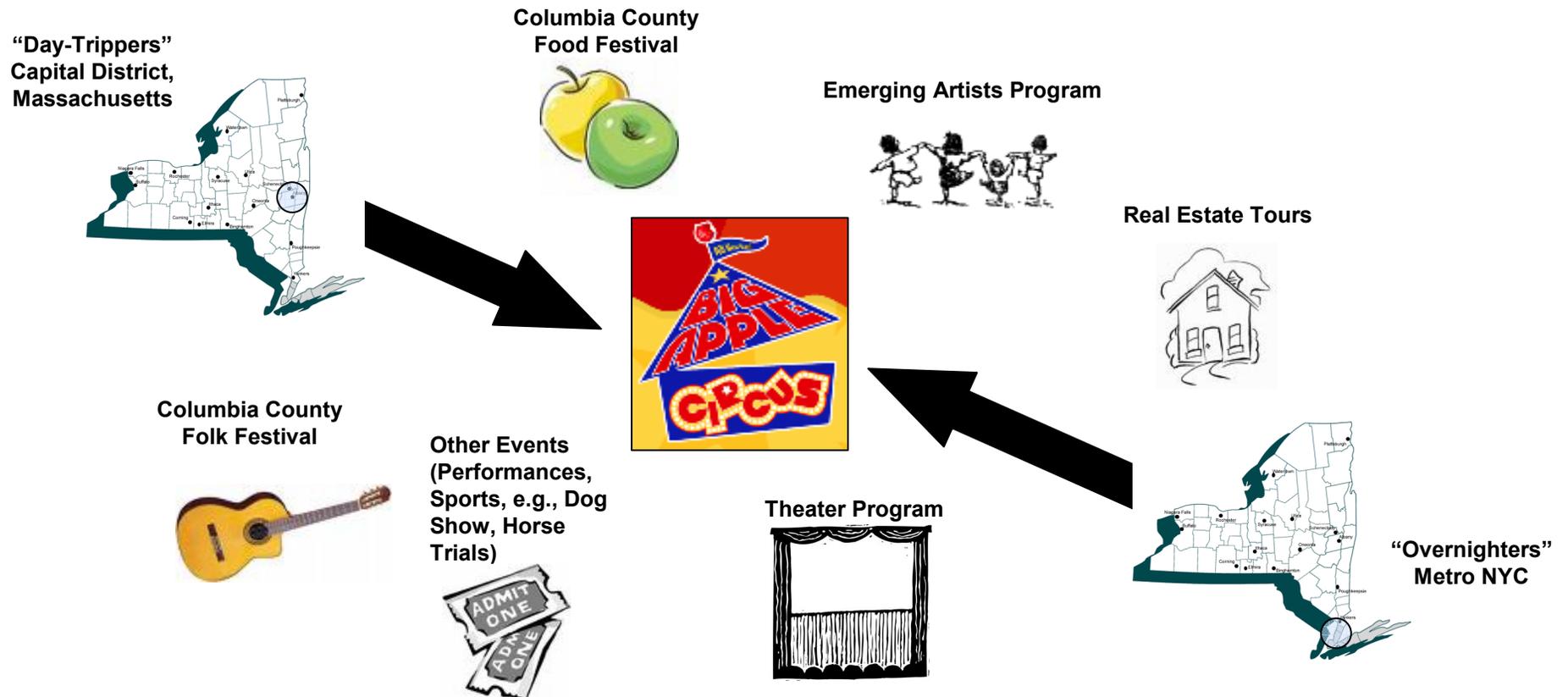


Source: Big Apple Circus; US Census Bureau; Baldwin Bell Green estimates and analysis

Anchor of Increasing Number of Attractions

The longer term idea is to use The Big Apple Circus as a centerpiece for visits to Columbia County from Columbia County's two primary markets – the Albany media market and Metro NYC. The Big Apple Circus can become an “anchor” for many events that can grow up around the circus.

Building Columbia County Tourism Around Core Events/Programs



Big Apple Circus

“Chain Reaction” of Economic Development

ESTIMATED

Level I <i>New Businesses</i> \$ Thousands	Level II <i>New Spending and Jobs in Columbia County</i> \$ Thousands; Number	Level III <i>Multiplier Effect</i>	Level IV <i>County Tax Revenue</i> \$ Thousands
<div data-bbox="363 732 527 889" data-label="Image"> </div> <p>Revenue: \$400-\$800</p> <p>Expense: \$600</p> <p>Profit: +/- \$200</p>	<p>\$1,200 (Circus attendees and circus)</p> <p>Jobs 60 (part-time)</p>	<p>2.5x - 3.5x</p>	<p>\$80</p>

2. Senior Living

Columbia County skews older than New York State as a whole. Columbia County will need more facilities for Seniors. In addition, the Pine Haven Nursing Home is one of the County's most expensive operations, and **any significant cost reduction at Pine Haven will directly help County finances.**



- **Senior Living Industry.** We analyzed the senior living sector and interviewed 14 Senior Living operators, banks, and trade associations, including 5 of the 10 biggest operators in the Country.
- **Big Operators.** Big operators need population density with major cultural attractions with universities nearby.
 - Columbia County does not have the population density for these companies.
- **Smaller Operators.** There are operators who specialize operating facilities in less-populated rural areas and we have had dealings with two of them: Country Place Living (Grapevine, TX) and a senior living developer from Long Island.
 - Country Place Living visited Columbia County from Texas in August and may be interested in expanding operations to Columbia County (they currently operate facilities in Texas and in the Midwest).
 - An operator based in Long Island has a proposal for an “aging in place” Senior Living campus in Niverville that could include a newly built, “right-sized” County Nursing Home.

Senior Living: Proposed Campus in Town of Kinderhook

A senior living operator plans to build a new Senior Living campus in Niverville in the Town of Kinderhook. He might also build a new “right-sized” nursing home for the County, which could replace the current Pine Haven facility in Philmont. The County subsidy to the nursing home could be reduced by \$500,000 - \$1 million per year.

Senior Living Campus -- Niverville



- “Aging in place” senior campus: independent living, assisted living, skilled nursing.
- Clinical training positions possible for Columbia Greene Community College nursing students.
- “Right-sized” new, modern County nursing home.
- Possible higher Medicaid reimbursement to the County through change in case mix index.
- Begin construction Spring 2009.

- Est. \$8 million of assisted living residents’ net worth kept in the County (\$100,000 per resident).
- \$500,000 - \$1 million possible savings annually for the County through a change in reimbursement rate and rationalized/shared services.
- Est. \$25+ million construction project.
- 100 new full-time jobs.

Senior Living

ESTIMATED

“Chain Reaction” of Economic Development

Level I <i>New Businesses</i> \$ Thousands	Level II <i>New Spending and Jobs in Columbia County</i> \$ Thousands; Number	Level III <i>Multiplier Effect</i>	Level IV <i>County Tax Revenue</i> \$ Thousands
 <p> Revenue: \$6,000 Expense: \$5,400 Profit: \$600 </p>	<p> Investment: \$26,000 Spending: \$1,200 Jobs: 107 (full-time) </p>	<p>2.5x - 3.5x</p>	<p> \$400 (property tax) \$50 (sales tax) </p>

3. Sports and Recreation

Sports camps are good new businesses to locate in Columbia County (overnight camps especially). Campers and parents bring spending into the County from outside.



- **Columbia County's Advantages.** Columbia County's advantages include:
 - Rural beauty.
 - Relatively inexpensive, open land.
 - Proximity to New York City, Boston, and Albany.
 - It is much easier from New York to drive kids to camp in Columbia County than to deliver them to camp in Maine).

- **Sports Camp Operators.** We have been working with operators of both day sports camps and operators of boarding/overnight camps to create programs in Columbia County.
 - **Skyhawks.** Skyhawks (Spokane, WA), one of the largest day sports camp operators in America, will meet in October with school superintendents to see if Skyhawks can expand operations to Columbia County.
 - **Hudson Park.** Mr. Burke St. John plans to build the Hudson Park Summer Baseball Camp in the town of Livingston.
 - Hudson Park may attract the best high school baseball players in America.
 - Hudson Park may be helpful to Columbia-Greene Community College with activities and facilities.

Sports and Recreation: Hudson Park in Town of Livingston

Mr. Burke St. John proposes to build in the Town of Livingston a summer baseball camp for high school baseball players. Hudson Park will have 1,100 campers per week when fully built out and will create 50 full-time jobs. The baseball camp may also become the “magnet” for other development (e.g., lodging, restaurants, shops).



- 10 year development project.
 - Construction to start Summer 2009.
 - Camp to open Memorial Day, 2010.
 - 16 baseball fields.
 - 9 dormitories.
 - 1,100 campers per week when fully operational.
 - Possible coordination of activities and facilities with Columbia Greene Community College.
 - Possible “add-ons” near the baseball camp include:
 - National chain hotel/motel.
 - Restaurants.
 - Shops.
- \$10 million total investment.
 - \$15 million revenue/year.
 - 50 full-time jobs (6 as of today).

Hudson Park
 “Chain Reaction” of Economic Development

ESTIMATED

Level I <i>New Businesses</i> \$ Thousands	Level II <i>New Spending and Jobs in Columbia County</i> \$ Thousands; Number	Level III <i>Multiplier Effect</i>	Level IV <i>County Tax Revenue</i> \$ Thousands
 <p>Revenue: \$11,000</p> <p>Expense: \$10,000</p> <p>Profit: \$1,000</p>	<p>\$10,000 (investment)</p> <p>\$3,000 (good & services)</p> <p>Jobs 100 (part-time)</p>	<p>2.5x - 3.5x</p>	<p>\$150 (property tax)</p> <p>\$50 (sales tax)</p>

4. Agriculture

We embarked on a systematic analysis, and set of recommended actions to close gaps in market structures between Columbia County producers and their markets, and to identify potentially valuable new infrastructure.

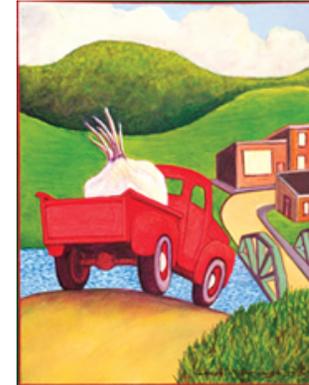


- **New Agricultural Initiatives.** We identified potential new agriculturally based businesses and a new tourist event for the County.
 - **Aquaculture.** A foreign aquaculture firm, with patented technology, may launch American operations in Columbia County, **investing \$5 million and creating 40 new jobs.** The farmed fish will be sold to the New York City market.
 - **Farm Festival and Agritourism.** There could be a major new Columbia County Food Festival focusing on local producers and farm tours, to bring visitors into the County. The Festival could build on the success of Columbia County Bountys 3-year old “Taste Of” event.

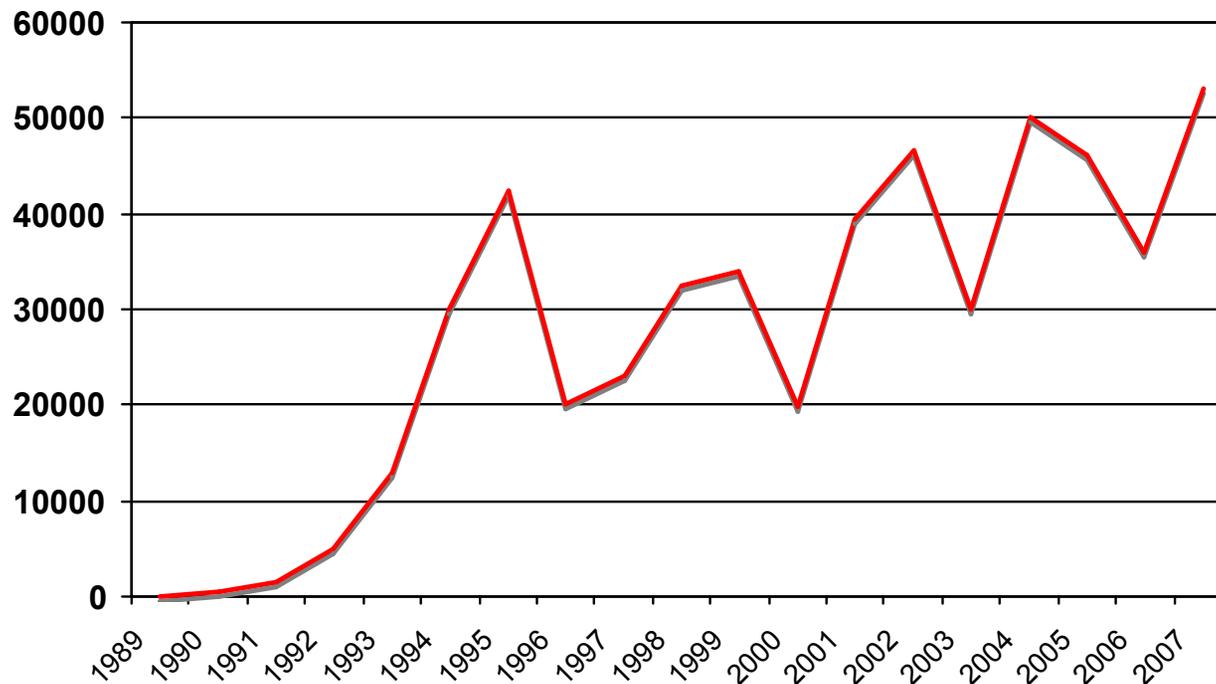
- **Research.** Two agriculture-related research initiatives are underway to understand the County’s opportunities.
 - **Columbia County Agricultural Products Initiative.** CEDC and HVADC commissioned a new study, The Columbia County Agricultural Products Initiative to identify:
 - New opportunities for agribusiness.
 - Ways for farmers to transition to new markets and opportunities.
 - Needed new infrastructure for Columbia County farmers.
 - “Gaps” between farmers and their markets and to identify ways to bridge those gaps and get farmers a fair price.
 - **Biofuels Study.** Phase I is complete of a study to evaluate a specific site in Hudson/Greenport for biofuels/oilseed refinery. Phase II is underway to address issues raised in Phase I.

Case History: Garlic Festival in Saugerties

A Columbia County Food Festival could match Saugerties' Garlic Festival, which was started by one woman, Pat Reppert, in 1989. It has grown into a major attraction and **last year attracted 53,000 people, with an economic benefit of \$5 million to Ulster County.**



Attendance



Source: Hudson Valley Garlic Festival, Baldwin Bell Green estimates and analysis.

Aquaculture

ESTIMATED

“Chain Reaction” of Economic Development

Level I <i>New Businesses</i> \$ Thousands	Level II <i>New Spending and Jobs in Columbia County</i> \$ Thousands; Number	Level III <i>Multiplier Effect</i>	Level IV <i>County Tax Revenue</i> \$ Thousands
 <p> Revenue: \$3,500 Expense: \$3,000 Profit: \$500 </p>	<p> Investment: \$5,000 Spending: \$1,000 Jobs 40 (full-time) </p>	<p>2.5x - 3.5x</p>	<p> \$75 (property tax) \$50 (sales tax) </p>

Farm Festival
 “Chain Reaction” of Economic Development

ESTIMATED

Level I <i>New Businesses</i> \$ Thousands	Level II <i>New Spending and</i> <i>Jobs in Columbia</i> <i>County</i> \$ Thousands; Number	Level III <i>Multiplier</i> <i>Effect</i>	Level IV <i>County Tax</i> <i>Revenue</i> \$ Thousands
 <p>Revenue: \$200</p> <p>Expense: \$200</p> <p>Profit: \$0</p>	<p>\$300</p> <p>Jobs 100 (part-time)</p>	<p>2.5x - 3.5x</p>	<p>\$10 (sales tax)</p>

5. Education

We identified new educational initiatives – for both vocational and academic programs – as being potentially valuable to Columbia County.



- **Vocational Programs.** Two Manhattan-based institutions looked at satellite programs in Columbia County.
 - **French Culinary Institute.** The French Culinary Institute studied a new program based in Old Chatham. They decided a new program was too risky at this time.
 - **International Center of Photography.** ICP considered restarting in Columbia County a program that used to be based in Millerton but has deferred the decision.

- **Academic Programs.** Columbia County may attract foreign students to academic programs at Columbia-Greene Community College.
 - **State University of New York.** SUNY's Office of International Programs may create a program for students from Turkey at Columbia-Greene Community College.

* * *

- **Housing.** Student housing is a significant limiting factor for expanding educational programs in Columbia County. Without housing it is very difficult to attract students to Columbia County whose homes are any distance away from the County.

Education: International Students Initiative

Columbia-Greene Community College may see declining enrollments in the future. International students may help maintain enrollment levels.



- **International Students in New York State.** New York has the second highest enrollment in the country of students from other countries. There are 55,000 students from abroad enrolled in institutions of higher learning in the State of New York.
- **Turkish Students.** As of the next academic year, there will be approximately 2,000 students from Turkey attending SUNY institutions.
 - **Istanbul Aydin University.** Istanbul Aydin University is a private university in Istanbul that might be a partner for Columbia-Greene Community College.
- **Other Countries.** There may also be programs with colleges in Canada and Chile.
- **Maximum Fees.** International students pay maximum fees to SUNY, \$15,000 per year. This is affordable for middle-class families in countries like Turkey and Korea, while the much higher fees at private American colleges may be out of reach.

Source: SUNY. Institute of International Education.

583,000 international students attend American colleges and universities. 60% of them came from ten countries.

International Students at American Colleges and Universities

Top Ten Countries	No. Students in USA	2007 Population 0-14 Yrs (Millions)	2007 Total Population (Millions)
1. India	83,833	361.6	1,148.0
2. China	67,723	267.3	1,330.0
3. Korea	62,392	8.4	48.4
4. Japan	35,282	17.4	127.3
5. Taiwan	29,094	4.5	22.6
6. Canada	28,280	5.4	33.2
7. Mexico	13,826	32.6	110.0
8. Turkey	11,506	17.5	71.9
9. Thailand	8,886	13.9	65.5
10. Germany	8,656	11.4	82.4
TOTAL	349,478	740.0	3,039.0

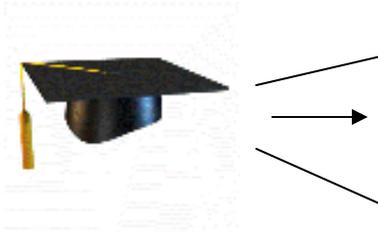


Source: Institute of International Education. NAFSA: Association of International Educators. CIA World Factbook.

International Students

ESTIMATED

“Chain Reaction” of Economic Development

Level I <i>New Businesses</i> \$ Thousands	Level II <i>New Spending and Jobs in Columbia County</i> \$ Thousands; Number	Level III <i>Multiplier Effect</i>	Level IV <i>County Tax Revenue</i> \$ Thousands
 <p> Revenue: \$3,000 Expense: \$3,000 Profit: \$0 </p>	<p> Investment: \$10,000 Spending: \$2,000 Jobs: 50 (full-time) </p>	<p>2.5x - 3.5x</p>	<p> \$150 (property tax) \$40 (sales tax) </p>

6. Branding and Communications

Columbia County has identified communications and branding as being strategically important to support Columbia County's economic development initiatives.



- **Branding Process.** A branding subcommittee met over three months.
 - Regular working discussions included the Chamber of Commerce, Agriculture, Business Development and Tourism.
 - Bi-weekly reports and feedback from the larger group.
 - Equal emphasis on tourism and business.
 - Focus on delivering measurable impact.

- **Major Barriers.** The subcommittee identified key barriers to tourism and business development.
 - **Tourism.** Not enough hotel/motel rooms; people don't know what is available in the County.
 - **Business.** High costs/taxes; poor/limited supporting infrastructure, from water/sewage to cell phone service and fiber optics.
 - **Residents.** No agreed center or central idea. Each geographic quadrant is different and is oriented in a different direction (often outside the County, e.g., Kinderhook is oriented towards Albany for shopping, recreation).

- **Major Strengths.** Columbia County has particular strengths.
 - Proximity to everything; natural beauty; open spaces; active agriculture; great diversity; great food and culture; a terrific place to live and work; lots of role models in terms of successful entrepreneurs; quality/special agriculture; creative people and artists.

6. Branding and Communications, continued

- **Best Prospects and Messages.** Our best prospects to make something happen fast are already here—the full-time and part-time residents of Columbia County. They are hosting in their homes the future visitors, home buyers, entrepreneurs and investors we need to grow.
 - People start as visitors and then start businesses.
 - We want to help people feel pride and knowledge in their County based on facts so they can communicate it to friends and spend their money here.
 - For potential investors and entrepreneurs we have amazing role models -- the largest aviation flight school in the Northeast; the first new distillery since prohibition, etc., and our restaurants, farmers, and chefs are leading the way.

III. Summary of Economic Development Initiatives

Potential Economic Development Initiatives

4 Levels of Impact

Initiative Area	Initiative	Level I New Businesses (\$ Millions)	Level II New Wages and Spending in Columbia County			Level IV County Tax Revenue (\$ Thousands)
			Investment (\$ Millions)	Spending (\$ Millions)	Jobs	
Arts, Entertainment and Tourism	Big Apple Circus	\$1.8	-	\$1.2	60 (part-time)	\$80 (sales tax)
Senior Living	Campus in Niverville	\$6.0	\$26	\$1.2	107	\$400 (property tax) \$50 (sales tax)
Sports and Recreation	Hudson Park	\$11.0	\$10	\$3.0	100 (part-time)	\$150 (property tax) \$50 (sales tax)
Agriculture	Food Festival	\$0.2	-	\$0.3	100 (part-time)	\$10 (sales tax)
Agriculture	Aquaculture	\$3.5	\$5	\$1.0	40	\$75 (property tax) \$50 (sales tax)
Education	International Students	\$3.0	\$10	\$2.0	50	\$150 (property tax) \$40 (sales tax)