



# ADAPT

Restarting, Repairing and Rethinking for Our Next Comeback



**SULLIVAN COUNTY PARTNERSHIP FOR ECONOMIC DEVELOPMENT  
2020 ANNUAL REPORT**

## OUR MISSION

The Sullivan County Partnership for Economic Development promotes and coordinates economic development in order to benefit our members by enhancing the quality of life and improving the standard of living in Sullivan County.

# Adapting Together in a new economic development world

The COVID-19 pandemic slammed the door on a booming Sullivan Catskills economy that, for the previous two years, lifted us to the top of the New York State job rankings thanks to \$2 billion in investments in the hospitality industry that gave rise to 3,000 new jobs.

When the economy was shut down, the Partnership was the first agency to respond. We created the **Disaster Relief Workforce Emergency Loan Fund (DRWE)** to help small business owners survive this unprecedented global crisis.

The initial fund recipients include Cohecton Fire Station, Bethel Market Cafe, Finbar's Farm, and Ace Moving & Storage. They moved swiftly under State guidelines and shifted operations to continue to provide services. Similarly, as retail establishments were allowed to reopen, they too quickly adapted, offering limited in-store visits

and curbside pickup to weather through the summer. Still, others added new product lines to serve the increased demand for Personal Protective Equipment (PPE). Prohibition Distillery began formulating grain alcohol-based hand sanitizer, and Resnick Energy created an altogether new business—Rezwear, manufacturing over a dozen models of face masks.

Schools have altered operations with new at-home instruction and in-person learning schedules with safety protocols in place to protect students, teachers, administrators, and transportation workers while continuing to educate our future leaders. And our local hospital, Garnet Heath Medical Center Catskills, has done an exceptional job instituting new protocols and communicating almost real-time updates on

COVID related practices and issues. As we write, construction projects that were stalled by COVID-19 have restarted, and new housing projects are rushing to meet an accelerated demand.

The pandemic has laid bare operational vulnerabilities for business owners and infrastructure weaknesses at the county level without question. Paradoxically, it has also revealed our county's strengths.

An influx of city dwellers, seeking temporary respite or a permanent haven, has positively affected retailers and vacation rentals. And real estate firms are experiencing unprecedented increases; in some cases, sales are up 300% year over year. New and existing homeowners have tapped builders to create home office space, a clear signal that the WFH (Work From Home) phenomenon, once thought to be temporary, may stay.

Demand for more reliable broadband resources — long an Achilles heel — prompted swift action for our county government to invest in expanded broadband service, particularly in underserved areas. This move alone promises to open up more opportunities for technology-oriented businesses to locate here and thrive. Smart urban-based companies realize that they can maintain and build their corporate client list while offering their employees a real work/life balance in a spectacular country setting. At close to 1,000 square miles and just a 90-minute drive from downtown Manhattan, the Sullivan Catskills presents a prime opportunity for businesses to relocate. Not surprisingly, we have been fielding new inquiries from E-commerce fulfillment, technology, business, and food services companies.

Like painters with a blank canvas, C-Suite executives and small business owners are re-examining business models, workplace operations, and workforce. But it's not just the economic damage under consideration; leaders are eager to explore how they can turn the challenges presented by COVID-19 into opportunity.

Investments in Hospitality & Tourism, Healthcare, Logistics, Light Manufacturing, Food Processing, and Agribusiness have driven our economy before COVID-19 and will continue to do so. An additional \$200 million in investments, expected to bring with it **800 new jobs**, waits in the wings. And we have room for more in our rural setting that consistently ranks in the top 20 places to visit by publications like *Lonely Planet* and *Harper's Bazaar*.

We welcome Randy Resnick as our new board chair. Randy leads two restaurants, multiple energy companies, two supermarkets, and now a manufacturing company and knows well the art of managing a comeback. We thank James Bates for guiding the organization over the past two years, making our mission clearer and more exact to represent our private sector members' interests while working to make the Sullivan Catskills more prosperous.

As we claw our way out of this global setback, we are encouraged, and most appreciative of the financial support our members continue to make. With the power of our collective and resilient human spirit, we look forward to adapting together to create yet another comeback for the Sullivan Catskills, this place for our work and life.



  
James Bates  
Board Chair



  
Marc Baez  
President/CEO



## The Partnership Adapts with Cluster Meetings

With the inability to gather in large crowds, our usual networking meetings came to a halt. Like so many businesses, we shifted too. We partnered with local restaurants, creatively utilizing outdoor space to hold targeted industry cluster meetings following the State’s gathering guidelines. The first meeting, the Construction Cluster, was highly appreciated by those who attended. In fact, many stated that more quality networking was achieved with a smaller gathering. The Partnership has since scheduled one meeting per month with professional services, new member welcome, marketing and others completed or scheduled for the remainder of the year. The Partnership will continue the targeted meetings well into next year since they are so well received. With safety and proper protocols, we have achieved a way to bring value to our members even with the pandemic challenge.

**“This event was great. I made some new contacts and was able to land a job as well. The Partnership should continue to put these on.”**

Ken White, Outside Sales Representative, Hudson Valley Kitchen Design

**“With the Partnership as one of the only agencies that held an in-person event, I found the meeting to be very valuable and easier to get business done”**

Chris McCracken  
Director of Business Development  
Advance Testing Company, Inc.



## With change, comes opportunity

COVID-19 brought with it, abrupt change, hitting our tourism-based economy like a hurricane. An area that is highly dependent on corporate events, hotel stays, and general vacationers suddenly saw all of their traditional business and revenue streams dry up. Weddings, concerts, golf outings, fishing trips, sports leagues—gone. Yet with resiliency, entrepreneurship, and optimism our Sullivan Catskills **BUSINESSES REINVENTED THEMSELVES.**



Restaurants created new spaces indoors and out. They added delivery service, created simplified menus for takeout, incorporated distancing protocols, and made it work. Retailers put up acrylic dividers, created appointment-only scheduling, managed traffic flow, adjusted hours and managed to provide essential services and goods despite challenges in supply chain and delivery methods.

Business and professional services employees worked from home while Zoom and Go-To Meetings became as common as Facebook, almost overnight. The Sullivan Catskills adapted and adapted again to a new phenomenon. People

fled the tri-state urban centers to the suburbs and rural areas like ours. Real estate sales are at record levels and folks with second homes made us their home base.

New housing starts have accelerated in response to demand not seen in decades and vacation homes and bed & breakfast facilities were booked all summer long. The result is increased traffic in areas that struggled to attract steady visitors in past. Our western Sullivan Catskills hamlets are catering to a growing market seeking unique products, farm to table choices, outdoor activities and now serve an evolving customer base of work from home professionals.

# We were First to Respond to Businesses in Need

The **DISASTER RELIEF REVOLVING LOAN FUND (DRRLF)** was established from a donation by the Louis R. Cappelli Foundation (“Cappelli Foundation”). The Partnership’s Revolving Loan committee, chaired by Randy Resnick of Resnick Energy, created the **DISASTER RELIEF WORKFORCE EMERGENCY (“DRWE)** loan fund from the remaining proceeds of the Disaster Relief Revolving Loan Fund (“DRRLF”) originally established to assist businesses that suffered setbacks at the hands of back-to-back tropical storms Irene and Sandy. The DRWE assisted eight businesses totaling \$40,000.

## \$40,000

in DRWE Assistance to Eight Businesses

After we originated those loans, we reached out to the Cappelli Foundation and requested that the funds remain in place as low interest revolving funds for the future. They agreed, and we were able to repurpose the donation to support business owners through the pandemic shutdown.

We received 17 applications for the DRWEF. They were expedited through a simple review and remote closing process. The loans targeted small businesses with 10 employees or less to assist with liquidity, and workforce expenses. Eight loans were approved totaling \$40,000 to help small businesses get through the spring and be ready for the busy summer season. From restaurants to trucking and even a yoga wellness retreat, the DRWE proved to be the lifeline these businesses needed to adapt to a new economic reality.



“We are pleased that the Cappelli Foundation funds are being used to assist the Sullivan Catskills small businesses in these stressful times” said Louis Cappelli. “May 2020 marked our 20th anniversary in the Sullivan Catskills community with our purchase of the former Concord and Grossinger’s hotels. We are happy for the opportunity to make a difference when it matters most.”

The Partnership has been assisting businesses throughout this crisis with the DRWE, Payroll Protection Program, Economic Injury Disaster Loan, and traditional loan applications as well as other areas of assistance.



River Family Wellness Inc



Burn Brae Mansion



## Our Economic Development Allies

In communities across the country and around the world, jobs lead to spending, spending leads to growth, and growth leads to vital communities and a better quality of life. At the Sullivan County Partnership for Economic Development,

we play an important role in creating that vitality. Helping businesses build, expand, and find employees, requires meetings, applications, filings, public hearings, advocacy, financing and more.

**We partner with the following local, regional, state, and national organizations who like us, are committed to vibrant, thriving communities.**

### **MID-HUDSON SMALL BUSINESS DEVELOPMENT CENTERS (SBDC)**

This organization provides small business owners and aspiring entrepreneurs with free business consultations and at-cost training to write business plans, access capital, develop marketing, and understand regulatory compliance, international trade and more.

### **SCORE**

A county-based volunteer network of skilled, retired executives and volunteers who educate and mentor small business owners and entrepreneurs. SCORE conducts local workshops and events and provide resources, templates, and tools to facilitate business success.

### **THE COUNTY OF SULLIVAN**

The county government outsources economic development projects to us on a fee-for-service basis. We work closely with the Division of Planning and Environmental Management on small and main street development. We also conduct project management with county and business leaders to market our collective resources to companies and visitors looking to relocate here.

### **COUNTY OF SULLIVAN IDA**

Much like our work with Sullivan County government, we are a valued fee-for-service vendor to the county's Industrial Development Agency. The IDA shares our goal of business attraction and expansion to create and retain jobs. The IDA grants loans, incentives, and tax reductions all in efforts to promote economic welfare, recreation opportunities, jobs, tourism trade, and economic prosperity.

### **PATTERN FOR PROGRESS**

Pattern is a not-for-profit policy, planning, advocacy and research organization whose mission is to promote regional, balanced and sustainable solutions that enhance the growth and vitality in nine counties including Columbia, Dutchess, Greene, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester. The organization brings together business, nonprofit, academic and government leaders to collaborate on regional approaches to affordable/workforce housing, municipal sharing, and local government efficiency, best P-12 educational models, land use policy, transportation and other infrastructure issues that most impact the growth and vitality of the regional economy.

### **EMPIRE STATE ECONOMIC DEVELOPMENT CORPORATION**

ESD helps spur public and private sector innovation and growth, constantly revising the economic development toolbox to give businesses the competitive advantage they need to succeed in New York.

### **NEW YORK STATE ELECTRIC & GAS**

NYSEG helps make incentive packages even more attractive offering rate discounts and funding assistance.

### **HVADC AGRICULTURE**

This is a crucial alliance as agri-based business such as craft beer and distilleries continue to grow. It is the only economic development agency in the Hudson Valley that focuses on the growth and viability of the agricultural economy. HVADC assists both new and existing agri-businesses and supports policies and regulations that recognize and support New York State's agricultural economy.

# The Comeback Begins

## A DIFFICULT YEAR

2020 will be a year indelibly etched in our mind. Everyone has been affected significantly. Yet the Sullivan Catskills which has been resilient— through economic downturns, floods, storms, and external policies that set us back— adapted, made the necessary changes, and began its comeback once again. Prior to the COVID-19 shutdown our economy was growing at an incredible pace. The impact of signature projects like Resorts World Catskills and The Kartrite had catalyzed the economy attracting investments in the tourism/hospitality sector. Unemployment was at an all-time low and we became a net labor importer for the first time in decades. The shutdown halted all our progress.



Eldred Preserve

## CALL TO ACTION

The Partnership, along with its economic development partners leaped into action assisting businesses and communicating critical information daily to prepare for reopening. Construction led the restart putting people back to work. Projects like Eldred Preserve, Marshalls, Hampton Inn, BOCES and the Sullivan Catskills Visitors Association office relocations and housing development projects, ramped up and began our comeback.



Hampton Inn

## NEW CHALLENGES .... NEW OPPORTUNITIES

History shows that after every significant setback, new opportunities unfold and force us to adapt and do business in a new way. External influences like the pandemic and riots in urban centers created an exodus from the tri-state area to suburban and rural areas like the Sullivan Catskills. Real estate that had experienced a moderate upswing the past several years suddenly took off with some realtors seeing increases of 300% year to year. Housing developments that were on pause began construction. E-Commerce inquiries increased tenfold with developers now seeking sites to get

ready for development. Technology companies now realizing they can work from home productively are now seeking locations for their business operations in more serene locations like the Sullivan Catskills. Recognizing the need for broadband the County announced an expansion of its broadband access to areas of the county that had no service. New opportunities are growing with this shift in the business paradigm and we are preparing to accept this change with open arms. The comeback has begun, and we look forward to 2021.



# Corporate Attraction Continues in the Midst of the Pandemic

We continue to make the case for investment in the Sullivan Catskills. Though communication, meetings and approvals remain challenging the Partnership adapted and continued its mission, marketing to and facilitating corporate investment and expansion.

**Apple Ice Company** purchased the former BOCES administration building, a 20,000sq. ft facility on Plaza Drive in Monticello where they will store and distribute bagged ice to its growing service territory that includes the entire Sullivan Catskills. The site had not been on the tax rolls for over a decade will employ 15 people at better than county average wages. The Partnership helped the company secure site plan approvals at the height of the COVID-19 pandemic in New York. There is also interest in an 82-acre parcel behind the former Apollo Plaza site to develop a commerce park. After some preliminary conceptual engineering was completed by the County, we reached out to prospects and attracted interest from a developer to build upon the initial vision for the land. Already, two manufacturers have expressed interest once approvals are completed.



**E-commerce business surged** when stay at home orders went into effect during the spring and bolstered online sales of virtually all goods and services. Now, developers are scouring the Sullivan Catskills and the region for sites that can accommodate corporate logistics facilities. Our previous work on the Old Route 17 now appears to be foretelling as some due diligence has already been completed for this very scenario.

Work at home requirements have opened the door to a growing phenomenon. Companies in programming and high tech are exploring new business models incorporating work from rural locations. We are working with a technology-based firm to locate a small campus so that employees and associated industry partners can work on crucial



projects while enjoying the bucolic settings the Sullivan Catskills has to offer. This will be a growing trend and offers tremendous opportunities to grow this sector. In fact, the County of Sullivan realizing the need to able to connect has invested in expanding its broadband resources to include areas not previously served in an effort to catalyze this important infrastructure need.

Work on the **17Forward 86 plan continues**, now with more urgency. The Planning and Environmental Linkage work has begun in earnest with the

group's effort now focused on securing funding for the construction of the third lane on NYS17/I-86. This vital infrastructure effort will be so critical to projects that are being constructed today in the hospitality and tourism sector in both Orange and Sullivan Counties, like LegoLand, Eldred Preserve, Foster Supply Hospitality, Hampton Inn and the reopening of the Resorts World Casino and The Kartrite destination resorts. The bottom line is our businesses are already adapting and poised for yet another comeback and are ready for more investment in the Sullivan Catskills.

# 2019 Financial Snapshot

## INVESTMENT REVENUE

YEAR	REVENUE
2014	\$129,700.00
2015	\$162,160.00
2016	\$196,687.00
2017	\$152,872.00
2018	\$172,091.00
2019	\$203,962.00

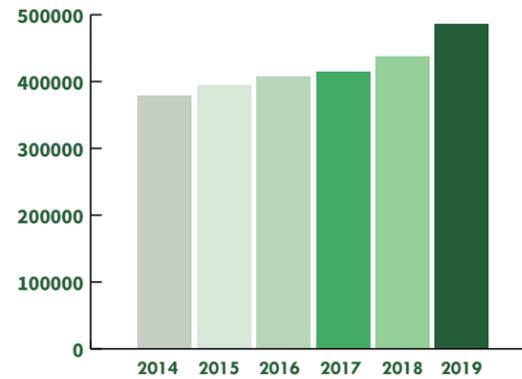
## TOTAL REVENUE/ALL SOURCE

YEAR	REVENUE
2014	\$378,974.00
2015	\$395,603.00
2016	\$407,756.00
2017	\$414,477.00
2018	\$437,929.00
2019	\$486,094.00

## 2019 REVENUE

Investment Revenue	\$203,962.00
Special Events	\$3,753.00
Annual Meeting	\$64,516.00
Miscellaneous Income	\$1,814.00
NYSEG Grant	\$11,887.00
Interest Earned	\$162.00
IDA Contract	\$75,000.00
County Contract	\$125,000.00
<b>Grand Total</b>	<b>\$486,094.00</b>

## TOTAL REVENUE



## 2019 REVENUE



# Board of Directors

James Bates	Ecological Analysis	Chair
Randy Resnick	BHR/The Sullivan Event Center	Vice-Chair
Michael Zalkin	Birchwood Lodge, Inc.	Treasurer
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Gerald Skoda	Skoda Enterprises, Inc.	2022
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Jeff Siegel	SDA Events	2021

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 Work Zone Staffing, Inc.

