

**ECONOMIC DEVELOPMENT COMMITTEE
OF THE
SUFFOLK COUNTY LEGISLATURE
MINUTES**

A meeting of the Economic Development Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York, on Wednesday, May 7, 2014, at 2:00 p.m.

MEMBERS PRESENT:

Legislator William Lindsay - Chairman
Legislator Steven Stern - Vice-Chair
Legislator Kara Hahn
Legislator John Kennedy
Legislator Jay Schneiderman

NOT PRESENT:

Legislator Kevin McCaffrey - Excused Absence

ALSO IN ATTENDANCE:

Presiding Officer DuWayne Gregory - District No. 15
Legislator Kate Browning - District No. 3
Legislator Tom Cilmi - District No. 10
Lora Gellerstein - Chief Deputy Clerk, Suffolk County Legislature
George Nolan - Counsel to the Legislature
Laura Halloran - Budget Review Office
Tom Vaughn - County Executive's Office
Bill Shilling - Aide to Legislator Calarco
Josh Slaughter - Aide to Legislator Browning
Ali Nazir - Aide to Legislator Kennedy
Debbie Harris - Aide to Legislator Stern
Jason Hann - Aide to Legislator Schneiderman
Chris DeLuca - Aide to Legislator Cilmi
Paul Fusco - Aide to Legislator Barraga
Amy Ellis - Aide to Legislator Anker
Joanne Minieri - Commissioner, SC Department of Economic Development
Carolyn Fahey - SC Department of Economic Development
Moke McGowan - Long Island Convention and Visitors Bureau
Gail Lamberta - St. Joseph's College
Christopher Frost - St. Joseph's College
Jennifer Donovan - Hilton Garden Inn, Islip

Steve Bate - Long Island Wine Council
Jeff Durham - Upsky Long Island Hotel
Rob Salvatico - Jaral Properties, Inc.
Bryan DeLuca - East End Tourism Alliance
All Other Interested Parties

MINUTES TAKEN BY:

Lucia Braaten - Court Stenographer

MINUTES TAKEN BY:

Kim Castiglione - Legislative Secretary

*(*The meeting was called to order at 2:02 p.m. *)*

CHAIRMAN LINDSAY:

Okay. Good afternoon. We'd like to begin the Economic Development Committee meeting. If we all would please rise as Legislator Hahn leads us in the Pledge of Allegiance.

*(*Salutation*)*

If we could all just remain standing just for a minute and just have a moment of silence. Unfortunately, last weekend we lost someone who's worked here for the Legislature for quite a while, Bobby Knight. So if we could all just keep his family in their thoughts and prayers, and keep Bobby in their thoughts and prayers as well, and hope that his soul is resting in peace at this time.

*(*Moment of Silence*)*

CHAIRMAN LINDSAY:

Thank you. Please be seated. I'd also just like to make an announcement. Legislator McCaffrey has an excused absence, so he's not here this afternoon.

At this time, we'd like to begin the Public Portion of the committee meeting. My first speaker, you'll have -- all speakers will have three minutes. My first speaker is Carolyn Fahey.

MS. FAHEY:

Good afternoon, Mr. Chairman and members of the committee. I'd like to read into the record just a brief statement with regard to I.R. 1395. We have several speakers here who are going to speak after me, so I thought I'd like to lay the groundwork, give you an idea of what this resolution does, so that you could put into context their comments.

I.R. 1395 approves and authorizes an amendment to the contract to promote convention, business and tourism in Suffolk County. In short, this resolution amends the current agreement with the LICVB establishing a Suffolk County Tourism Scholarship Program.

New York State's enabling legislation and the subsequent Suffolk County Local Law establishing the Hotel Motel Tax authorizes the County to enter into an agreement with a tourism agency to administer programs designed to develop, encourage, solicit and promote convention business and tourism within the County.

Since the inception of the tax, the County has contracted and worked very closely with the LICVB to create and implement various unique and creative marketing programs. You'll hear from Moke

McGowan shortly about the impact of this funding and the status of the tourism in our County. While Moke will give you more numbers and a deeper overview of the tourism impact, I'd like to just state a few numbers for the record.

According to the I Love New York Economic Impact Report, in Suffolk County alone, tourism generates over \$2.7 billion in direct visitor expenditures a year. It employs over 38,000 workers in Suffolk County, produces 1.38 billion in labor income, and generates nearly 186 million dollars in local tax revenues. Obviously, an industry with great importance to our County economy.

The significant increase and emphasis on the culinary, hospitality and tourism industry in New York State, and specifically here on Long Island, has resulted in the need for qualified professionals in these areas. To that end, we have proposed the creation of a scholarship that will assist in generating a workforce that lives, works and thrives here in Suffolk County, a workforce that is critical to the future vitality of this economic engine.

The resolution before you authorizes an amendment to the existing agreement creating this program to be funded through the current Hotel Motel Tax allocation that is given to the LICVB as dictated by County and State Law. As you know, Suffolk County matches dollar for dollar with Nassau County for the regional marketing and promotion handled through the LICVB. The balance of the Suffolk funding is slated for Suffolk-only program and marketing, which we commonly refer to as the Suffolk Specialty Fund. It is from this fund that we would allocate the \$50,000 if this program were approved.

As with any industry cluster, without a well-educated, well-trained workforce, the sustainability and, more importantly, the growth of that cluster and the resulting economic impact is uncertain at best. We found this with our manufacturing cluster, and Suffolk County Community College and SUNY Stony Brook have stepped up with creative training programs designed for both individuals and businesses. We found this with our nursing shortage. Again, through the initiative of Suffolk Community College and with this Legislature's support, we now have programs specific to addressing that workforce need.

The tourism industry and its culinary and hospitality components is no different. This scholarship is just one more way for Suffolk County to directly participate in a development of a critical workforce sector. I ask for your support in approving this resolution and moving it forward to the full Legislature for consideration. Thank you.

Mr. Chair, if it's possible, before I take questions, if we can have the others speak and then I'll stay for questions, if that's okay.

CHAIRMAN LINDSAY:

That would be great. Thank you.

MS. FAHEY:

Thank you.

LEG. HAHN:

Do you mind submitting that in writing, what you had in writing?

MS. FAHEY:

My little doodle? Sure.

CHAIRMAN LINDSAY:

The next speaker is Gail Lamberta. Ms. Lamberta, you have three minutes as well.

MS. LAMBERTA:

Thank you very much, Mr. Chair and the Legislature. I just want to speak on behalf of St. Joseph's College. In response to Governor Cuomo's request and in response to all of the data that we've received, St. Joseph's has established a brand new Hospitality and Tourism Management Major, and we received our approval from the New York State Education Department last May. We just rolled the major out the fall of 2013, so obviously a little bit behind any marketing. We already have over 20 students in this major.

What we've done is we created three areas of concentration. One is in tourism, where we're embedding agritourism and ecotourism to better prepare students to take on challenges, especially relative to the Long Island region and certainly Suffolk County. We have a second area of concentration in hotel management, where we're putting sustainability and sustainable model hotels at its core, and the third area of concentration is in health care hospitality, to address all of the issues that we see in regard to the Press Ganey scores that has impacted hospitals reimbursement levels. So it's all about consumer satisfaction. Those are the three areas of concentration.

Within the program, every student will have to complete an internship. St. Joe's is very much proactive in terms of experiential learning and taking that component very seriously so that we can certainly better prepare students for their careers within the hospitality and tourism industry. And we see this as certainly having a positive impact on the industry, because a lot of the feedback that we've received is that students or people in the workforce are not prepared. So our goal is to prepare them with the academic rigor and education and also provide them with the experiential learning so that they are well rounded.

In addition, just as a note. St. Joe's is rooted in the Liberal Arts tradition, and I think if you've seen any of the recent reports that have come out in terms of workforce development, it's all about going back to that root of Liberal Arts. So in addition to their major, all students have to complete the Liberal Arts piece, which will include courses and opportunities to become better problem solvers. They can become better at critical thinking, analytical thinking, writing, verbal and written communication skills, which is all in alignment with what the demands in this industry are today and, in fact, in just general in terms of workforce development.

If you have any other questions or whatnot, I'm sure that we can answer those and field those. Thank you.

CHAIRMAN LINDSAY:

Thank you, Ms. Lamberta. If we could just ask you a couple of specific questions to the college. How long has that program been in existence?

MS. LAMBERTA:

We actually officially started the program the fall of 2013.

CHAIRMAN LINDSAY:

So you haven't had anybody graduate from it yet obviously.

MS. LAMBERTA:

Not yet, but we have many transfers. We've been working with Suffolk County Community College. We have an articulation agreement with Suffolk so that it's easily -- their students easily transfer to St. Joe's. So we've done a lot of collaboration with Suffolk County Community College and we'll actually have people graduating as early as December, but definitely next spring.

CHAIRMAN LINDSAY:

What's the tuition now on a yearly basis for St. Joe's?

MS. LAMBERTA:

Tuition at St. Joe's for a full year, 20 -- think it's just under \$22,000.

CHAIRMAN LINDSAY:

I'm dating myself here, but I'm an alumni just for full disclosure. I think it was about seven when I was a student there, so, it's gone up considerably.

MS. LAMBERTA:

I am, too, and it was a lot less than seven.

CHAIRMAN LINDSAY:

The other question I had, and I'll open up to my colleagues as well, how many students do you currently have in the program and do you anticipate that program expanding?

MS. LAMBERTA:

Yes. We started off in the fall with 10 students. We now have over 20. We just had a transfer registration, transferred five in from Suffolk. We're starting to get a lot of freshmen coming into the program right now. But we have several transfer registrations and new transfer reg's for freshman that we have not had until, you know, we have a rolling registration period. So we anticipate going into the fall with more than double of the enrollment as we started in 2013.

CHAIRMAN LINDSAY:

And I apologize, I have just one more follow-up question to that. Is there -- one of the biggest issues that the County is facing, which a lot of my colleagues will agree, is the loss of our young people once they graduate college. Are there any placement programs set up for when they finish this program? We've already made a considerable investment in these students through their public school careers, now if we do enact this scholarship it's a further investment in them as well. What's the possibility that we're going to get them to remain here and work here and continue here.

MS. LAMBERTA:

The job market here is very strong, because I can tell you at this point I've already received many opportunities that the students haven't graduated yet, but I'm trying to get them into some part-time positions and doing internships at many of the facilities that we have currently. So we've already posted at least eight jobs. So we're -- you know, we're almost behind the eight ball in terms of rolling them out. I mean, if they were graduating now they could be placed in positions and stay on Long Island.

CHAIRMAN LINDSAY:

Well, that's good to hear. Good to hear. I'll open it up to my colleagues. Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Do you have a pool of students that are looking for these scholarships? I mean, if you're saying there's all these jobs out here, and I don't know what they're paying, these particular jobs, but enough to reimburse the student loans and things like? Often when you hear scholarships it's usually for an industry where you're struggling to find employees, maybe for nursing or something like that, you know, and typically these scholarships when you provide them there are conditions attached to them. You must work, let's say, as a nurse in Suffolk County for a five year period. You know, there's some kind of condition. I didn't see a condition on this. But is there a group of kids that you've identified that cannot afford the tuition and could not meet the student loan requirements based on the salaries they're likely to get when they graduate?

MS. LAMBERTA:

Yes. This is not a high paying industry in terms of these positions, and we know that. We're not looking at a salary that might be equivalent to someone that's graduating and going into engineering or STEM. So they are lower paying positions, and we do have students that have a difficult time paying for college right now. In fact, you know, our Admissions Director could probably give you the specific data, but I am also a Professor at the college and I meet with students on a regular basis, and you know, anecdotally I can tell you they're all struggling and can't even purchase textbooks. So that is a big deterrent and that's really what, you know, hurts us here on Long Island, because they want to stay in Suffolk County.

The students that are on our Long Island campus want to stay here. They don't want to leave Long Island and they want to stay near their families, but they just can't afford -- they can't afford to finish the education or they can't afford to stay here, so we're hoping the scholarship will ease some of their student loan responsibilities. Most of our students, it's basically a commuter college, they all work, and they're all trying to make ends meet and pay their bills while they're in school. So if nothing else, this will give them a better opportunity or even a chance to complete or get a college education. We also have a lot of first generation students in Suffolk County in terms of getting a college degree. So it's been a struggle.

D.P.O. SCHNEIDERMAN:

The tuition you said is like 20,000, something like that.

MS LAMBERTA:

Just under 22,000.

D.P.O. SCHNEIDERMAN:

So you're planning on giving two scholarships of 20,000 or are you planning to give 10 scholarships of 5,000.

MS. LAMBERTA:

Eight scholarships, \$5,000 each, so that we can kind of spread this though, you know, the wealth through as many students as possible. And then, I mean, I can have -- certainly some of these questions would be the Chair, our Admissions Director, who's the Chair of the Scholarship Committee could answer better than I can, but the --

D.P.O. SCHNEIDERMAN:

Is there a requirement that those students when they graduate have to work in Suffolk County?

MS. LAMBERTA:

There's not that requirement embedded in the scholarship. One requirement is that they will have to intern and/or do a research project in Suffolk County.

D.P.O. SCHNEIDERMAN:

In terms of the hotel industry and these positions, you're training them to be management level, right?

MS. LAMBERTA:

Yes, entry level management.

D.P.O. SCHNEIDERMAN:

The jobs that are being posted, are they management level positions, those eight jobs?

MS. LAMBERTA:

A lot of them have been management level positions and they run across restaurants, catering and hotels. So they're coming into positions where they're going to have to supervise a staff of people and they're just at this point that's what we're hoping to train them for. And also, front desk operations. So we're looking at different types of positions within the industry.

D.P.O. SCHNEIDERMAN:

And these positions near where they're currently housed or would they have to move into these areas and is there housing provided?

MS. LAMBERTA:

The positions that are available right now are local positions. They would reside in their own homes and just commute within Suffolk County. I mean, they're not positions where they would be housed at a hotel and live at the hotel. The positions that we're seeing right now are just a regular working position.

D.P.O. SCHNEIDERMAN:

Can I ask during this internship period are the students compensated for that internship?

MS. LAMBERTA:

No.

D.P.O. SCHNEIDERMAN:

So which hotels then get to have these interns, these unpaid interns?

MS. LAMBERTA:

Well, what we do is we have a pool of hotels, and we actually try to match the student up with (a), an area that usually is a little closer to home, or if they want a grand hotel, a large hotel versus a smaller hotel or a boutique hotel, we've matched the student with what their desire would be in order to, you know, to kind of give them or enhance their education. They all have different areas where they would like to really focus. We even have some students that are looking at event planning or working in the Long Island Visitors and Convention Bureau. So there are a lot of different ways. So we really don't want to force a student into a position where they -- they would not thrive or if it's not an area of interest.

Some of the students are looking at possibly interning at one of the wineries, or in farming, or echo-tourism, or the national parks. So, you know, those are all viable places for internships that are already set up. You know, some of this will even translate into working with tourist companies and bus companies, or even at MacArthur Airport for that, you know, matter. Certainly travel agencies come into play. So it's not just hotels, it's broader than that.

D.P.O. SCHNEIDERMAN:

Will you provide me with a list of those hotels that are -- you currently have listed for receiving unpaid interns?

MS. LAMBERTA:

Sure.

D.P.O. SCHNEIDERMAN:

Thank you.

CHAIRMAN LINDSAY:

Thank you very much.

MS. LAMBERTA:

Any other questions?

CHAIRMAN LINDSAY:

No, I think that's it. Thank you.

MS. LAMBERTA:

Okay.

CHAIRMAN LINDSAY:

The next speaker is Christopher Frost.

MR. FROST:

Hello, and thank you. I'm here as Dean of the college. I've been here now three years and I come by way of San Diego. That's important because we had a thriving tourism program and we put a major at my prior institution that went from 35 majors to 700 in a 10 year period, and it's been one of the most vibrant programs.

Upon first coming to Long Island, one of the first things I did as I was looking and driving around Long Island, was to get the Regional Economic Council Report on the Future of Long Island. And in reading that report it became very clear that hospitality and tourism, broadly construed, agri-business, the wineries, ecotourism, is going to play a key part in the future of Long Island.

So the first thing I'd like to say is that St. Joseph's College, this marked a bit of a departure for us, but we made the departure based upon that report and talking to community and business leaders, because we saw that what the needs of the community were and what the educational gaps were, that was a place where we could step up and fill that gap, and that's what we've done.

In talking to a number of industry leaders, one of the things we learned is that right now many persons in hospitality and tourism industry recruit actively outside of Long Island because there is no pool here. And some even outside of the metropolitan region. And Johnson and Wales is one of the institutions that's often mentioned as one of the places they have to go. So by developing this very careful four year program with a liberal arts core, we are modeling our curriculum over programs like Cornell, which is one of the best in the country, like Johnson and Wales, like my prior institution and preparing our students for pathways that they wouldn't have. Not only are the internships, as Dr. Lamberta mentioned, here, but there are a number of jobs being filled right now on Long Island where we're having to import people into the Island because we don't have our own students prepared. So I think that's one of the most important pieces to keep in mind, is that if we don't want our young people leaving the Island, then we need to provide them educational pathways that lead to career pathways that exist on Long Island. That's a key part of what we're doing.

In terms of the tuition, I know much has been said of that. The other point I want to make about that is that we have also increased the amount of scholarship aid that we give. We gave \$24 million in scholarships. We're not a large college, but \$24 million last year and we're upping that to 25 million and beyond this next year.

In addition with the scholarships we're talking about here, we are going to be matching those with internal scholarships as well so that we can, as Dr. Lamberta also said, provide a wide range of financial supports for as many students as we can, so that we can open up these pathways to them in a way that's financially feasible. We don't want our students to graduate with a great deal of debt, and I know you all are aware of that as a national topic.

And the other point I do want to make about St. Joseph's College is that we have just computed the

data on our graduation rates. We are now at the 72% six year graduation mark, which is the highest of any educational institution on Long Island. So we are not only committed to the financial success of our students, we're committed to seeing that our students graduate and have access to the pathways. So thank you.

CHAIRMAN LINDSAY:

Thank you, Dean Frost. I just have a quick question and I'm sure my colleagues do as well.

MR. FROST:

Please.

CHAIRMAN LINDSAY:

You said you're going to match funds with the scholarship. Is it dollar for dollar?

MR. FROST:

Yes, that's our goal.

CHAIRMAN LINDSAY:

So if it's eight scholarships for \$5,000, it would be ultimately eight scholarships for \$10,000.

MR. FROST:

Well, we want to do it based upon the financial need as well, so we will put in a same amount of money, but it may be we extend the number of those \$5,000 scholarships to a wider range of students using our own internal resources.

CHAIRMAN LINDSAY:

Okay. Thank you. Anybody else have any questions for Dr. Frost? Thank you.

MR. FROST:

Thank you.

CHAIRMAN LINDSAY:

The next speaker is Jennifer Donovan.

MS. DONOVAN:

Good afternoon. My name is Jennifer Donovan. I am a Suffolk County resident as well as a mom of two, one in college and one that we're pursuing looking for college right now, and college is very expensive as you guys are well aware. I'm also the Director of Sales at the Hilton Garden Inn in Islip, Long Island. I've been there for five years, and over those five years we've had a really very difficult time finding qualified employees for management positions. We're hoping that through this scholarship process and the school opening that we'll have the opportunity to get those qualified employees to the hotel.

We have had extensive conversations right now in the process of just trying to get any kind of interns that we could possibly get to come in and start to train, along with their education at the colleges, to supplement them. We just really feel that it would be a great advantage for us because we find it so difficult to find employees on Long Island. Do you have any questions?

CHAIRMAN LINDSAY:

No, no questions. Thank you.

MS. DONOVAN:

Thank you.

CHAIRMAN LINDSAY:

The next speaker is Steve Bate.

MR. BATE:

Good afternoon, Chairman and Legislators. My name is Steve Bate. I'm Executive Director of the Long Island Wine Council. I'm also Vice Chairman of the LICVB and I'm a board member of the East End Tourism Alliance, but I'm speaking today more from a perspective of the wine industry. And really I want to second the statement that was just made about the demand for professional, trained, well-trained, homegrown labor in our industry. I mean, obviously, there are different -- two different parts of the wine industry. The one is the technical side, the growing side, the production side, but as you may well know, and 100% of my members are making wine in Suffolk County, about 90% of the wine that's made in Suffolk County is sold in Suffolk County, and the majority of that is sold out of the tasting rooms. So tourism is extremely important to my industry, to the viability of the wine industry on Long Island.

We need obviously good professionals in the hospitality industry, but we also need professionals on our side in the marketing profession, marketing professionals, event planners, graphic designers, all different types of specialists for tourism marketing. So it's very important for us to be able to have a resource, a homegrown resource, for this kind of talent. And I can speak also to the fact that there are definitely internship opportunities. I mean, we do receive a lot of requests from overseas to come and work on Long Island for the summer part-time and we would love to be able to give those opportunities to local students as well.

I might just mention as an aside that on the technical side, we also have concerns about the availability of labor for production not just in the wine industry, but in agriculture in general. And I know that the County Executive has recently set up some meetings to discuss that with some educators at the K through 12 and college level, so we'll be exploring that as well. Thank you very much and I support 1395.

CHAIRMAN LINDSAY:

Mr. Bate, we just have one question from Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Thank you, Steve, for coming out. The wine industry is alive and well on Long Island, particularly out on the North Fork. You mentioned actually a couple of related careers. Certainly, you know, in production side, which is that viticulture, and Suffolk County Community College has a great viticulture program. You also mentioned the graphic arts and promotions, and Suffolk County Community College has a great graphic arts program. But this scholarship is for neither of those things. This is for the hotel industry.

On the North Fork, most of the lodging at this point is actually in bed and breakfasts, which typically do not -- you know, they have to be owner occupied, so they're not typically hiring out of these hotel schools. So I'm a little bit -- I'm not really seeing the connection between this scholarship and the wine industry, so maybe you could help me see that.

MR. BATE:

Well, as I said, I think there's a very important part of the business in the wine industry, which is marketing to retail consumers, people that are coming out to get the experience of a wine region. So you need people in the front of the house, if you will, to be able to not only sell, manage that experience, educate the consumers, and -- but also kind of close the deal.

And I would say that also, I mean, I think although, you know, there may be certain parts of this

program that are geared mostly towards hotels, and that's a great thing, because people that are coming out for the weekend expect a total experience. We've had experts coming out from New York City before who's told us that in order to really market a region successfully it can't just be about the wine. It has to be about the broader experience. So it's very important for us to have the quality personnel in the hotels as well. But I believe that, you know, if people spend, for example, part of their internship rotating through some of the attractions, it will help them become better professionals, whether they be at hotels or in the attractions themselves.

D.P.O. SCHNEIDERMAN:

When the wine industry goes out looking for employees, is it typically looking for somebody with a hotel management degree or are you looking for a business major? What type of -- you know, when you guys hire, what are you looking for usually?

MR. BATE:

I would say on the promotional marketing side it's a marketing professional, event planners, who may very well come from a hotel background.

D.P.O. SCHNEIDERMAN:

Typically business and marketing, right?

MR. BATE:

Yes, business marketing.

D.P.O. SCHNEIDERMAN:

That's what I would think.

MR. BATE:

I think some of the skills that were mentioned before, writing.

D.P.O. SCHNEIDERMAN:

You know, I would think it's the hotel industry that would be typically looking for the, you know, the hotel school graduates, not -- I wouldn't the wine -- maybe that would fit, but.

MR. BATE:

Again, I think it's tourism in general that would benefit from this program.

D.P.O. SCHNEIDERMAN:

All right. Thank you.

CHAIRMAN LINDSAY:

Legislator Stern.

LEG. STERN:

Thanks, Mr. Chairman. Steve, when the wineries, the wine industry out east, they have your organization, there's the LICVB and so there's a lot of marketing that's done on a regional basis through our larger organizations. So when you talk about graphic design, marketing, public relations, that kind of a need, do you see that -- do individual vineyards hire these types of professionals and if they're doing it in individually, do they hire them to work in-house or are they typically hiring outside agencies that are doing contractual work for them on an individual basis?

MR. BATE:

It's both, actually. It depends on the size of the company. Obviously, there are several that actually have staff in-house that they're hiring their own PR people, their own graphic arts people,

and there are quite a few smaller operations that outsource that. But I might say that, you know, we are obviously marketing the region as a whole, somewhat similar to the LICVB. We're not marketing individual wineries and we can't. So we -- we would hire professionals or outsource to do the regional marketing, whereas they do need to do their individual promotion, whether they're focusing on wholesale or in most cases, retail.

D.P.O. SCHNEIDERMAN:

Question.

CHAIRMAN LINDSAY:

Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Just one follow-up question. Steve, you serve on not only the East End Tourism Alliance, but also LICVB; correct, right?

MR. BATE:

Correct.

D.P.O. SCHNEIDERMAN:

And so this would be actually taking money away from LICVB, which is there to market the region and it would go into a scholarship, which you're saying would be good. I'm a little bit confused why we wouldn't -- if we had \$50,000 to spare, why wouldn't be using that directly to market the region rather than create a scholarship that may not benefit the wine industry? It may or may not. I'm -- I don't really understand where this is coming from.

MR. BATE:

No, I think it will benefit the wine industry whether it goes -- whether the graduates go into the hotel industry or to the broader tourism sector, it will definitely benefit us in the long run. I completely agree with you. I think that the support that the LICVB through Suffolk County provides for regional marketing is incredibly important and we're very appreciative of that support. And hope that it continues and continues to grow, in fact, because we're in a very competitive marketplace and we need all of the regional support we can put together, and we've been relatively successful in the wine industry in getting grants to help supplement those resources. But there's supply -- the supply of labor, which we need, but there's also the demand, which you point out, and the demand not only comes from -- it comes from the wineries, but we have to have the customer base in order to have that demand for the labor, so it's important on both fronts.

D.P.O. SCHNEIDERMAN:

Now, I hate to put you on the spot, but if -- let's say LICVB provided a \$50,000 grant to Jazz on the Vine or the Winterfest, whatever it is called. I could see where people are coming out and going to the wineries, maybe staying in hotels, but without a condition on a scholarship that this employee, potential employee, has to work in Suffolk County, I don't see any guarantee that there's a benefit to tourism.

MR. BATE:

Aren't they complementary? If you're providing support --

D.P.O. SCHNEIDERMAN:

If we pay 50,000 in tax collected by hotels, that the hotels believe is going to LICVB to promote tourism, to educate somebody who takes a job in North Carolina at a hotel, how has that helped tourism?

MR. BATE:

But if there are the opportunities here to compete with a North Carolina job, then they will stay here and that's the point that I'm making, that it is complementary. If you're providing a labor pool, a qualified labor pool, and there are opportunities here on Long Island through the other support for marketing that we can create the customer demand, then it's a complementary program that's going to help --

D.P.O. SCHNEIDERMAN:

That's an if. Whereas if a scholarship is given because we have a shortage of, you know, rural family practitioners, you know, doctors, and we provide, you know, a scholarship to help somebody get their medical degree, they have to work in the community at a, you know, a family practice for a certain amount of time. There's nothing like that here. This is just we pay for their education and then they have the total liberty to go anywhere they want and try to find a job in hotel management; correct?

MR. BATE:

I suppose that should be -- in a free market that should be their opportunity to go elsewhere. But I'm pointing out if they do internships, if they learn about the tourism assets and the hotel opportunities on Long Island, then chances are they're going to favor those opportunities.

D.P.O. SCHNEIDERMAN:

Thank you.

CHAIRMAN LINDSAY:

Thank you. Next speaker is Jeff Durham.

MR. DURHAM:

Good afternoon. I'm here in support of Resolution 1395. I am the General Manager for the Upsky Long Island Hotel which was formerly the Sheraton Long Island Hotel. And I can tell you as a hotelier here on Long Island, one of the things that we struggle most with is finding people who are trained and educated in our field. Our industry has become much more complicated. Human resources is not just the handling of people, it is really dealing with Federal laws, State laws, and all the things that are tied into that. I really often refer to our Human Resource Director, which in many times is the General Manager of a hotel, as really an attorney, and he or she might as well have a law degree because it's become so complicated.

Accounting. From an accounting financial standpoint we do everything internally. We handle all tax related issues, all filing, all Federal, all State, all County, everything that needs to be done. Certainly from a culinary, a kitchen standpoint, yes, preparing food is certainly part of what we talk about, and certainly what we focus on, but the food costs and the cost to produce that product is more scrutinized than it ever has been. And this is all going back to the point that we need educated, trained people here on Long Island that can step into positions that are open now and in the future for, in my particular industry, the hospitality industry, positions that are open.

I am looking currently for two entry level managers. We've interviewed candidates. I've spent time with candidates, and I can tell you, sometimes what you see coming in your office is amazing that they're even considering the hospitality industry or the position that they're looking for. We need to find qualified people. We need to get them into our hotels and into our industry, and have them begin to grow and prosper, and I think it really in the long run makes our industry much, much stronger, and that, in turn, develops and brings more people, I think, to the County, to all the other facilities that go on. Does anybody have any questions?

CHAIRMAN LINDSAY:

Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Are you familiar with Cornell's hotel school?

MR. DURHAM:

I am.

D.P.O. SCHNEIDERMAN:

Have you hired through there?

MR. DURHAM:

I have not.

D.P.O. SCHNEIDERMAN:

Okay. They have a great program.

MR. DURHAM:

It's excellent.

D.P.O. SCHNEIDERMAN:

I don't remember whether it's part of the State University piece or whether that's a private piece.

MR. DURHAM:

That's private I believe.

D.P.O. SCHNEIDERMAN:

That's private.

MR. DURHAM:

I believe, I don't honestly know. But there are a number of good hotel schools throughout the United States.

D.P.O. SCHNEIDERMAN:

And how many management positions are you looking for at the moment?

MR. DURHAM:

Two.

D.P.O. SCHNEIDERMAN:

Two.

MR. DURHAM:

That we've had open for about 45 to 60 days.

D.P.O. SCHNEIDERMAN:

And what are their salaries?

MR. DURHAM:

Salaries are 35 to \$40,000. Entry level, they're entry level.

D.P.O. SCHNEIDERMAN:

Okay. You don't provide housing, they would have to have their own housing?

MR. DURHAM:

We don't provide any housing, no.

D.P.O. SCHNEIDERMAN:

Okay. Thank you.

CHAIRMAN LINDSAY:

Thank you. I don't see any other questions. Our next speaker is Rob Salvatico.

MR. SALVATICO:

Good afternoon, Mr. Chairman, members of the committee. Again, my name is Rob Salvatico. I'm a partner and Senior VP for Jaral Properties. Our businesses include Hotel Indigo in Riverhead, Holiday Inn Express in Riverhead and previously the Wingate Inn in Garden City. I bring that up because when we started in this business, opening the Wingate as novice hotel operators, we had a very easy time staffing our property, and it was because of the existing programs in Nassau County. This was circa 2000.

When we moved out into Riverhead for the opportunity to build a Holiday Inn Express, and we subsequently purchased what was then a Best Western, we had a very difficult time staffing our properties, so much so that I will tell you when we converted to Hotel Indigo -- so we got there in 2004, we converted to Hotel Indigo in 2010, it still took us four years to reach operational stability in terms of the quality of the staff we had, them coming together as a team and being able to properly present our message and the region we operate in. Whereas in Nassau County, that time was only two years, and I attribute that to at the time the lack of truly qualified programs at the schools in Suffolk County, and also just in general interest. So some of this is sort of a marketing effort.

You know, I could continue on about that, but to go back to Legislator Schneiderman's point with Steve Bate. I've learned something over the years out there. You know, I no longer market hotels; I market our region. And it's critically important we all work together now. My business absolutely depends on wine country and we've enjoyed a great deal of recent success because of the success of wine country, and I will tell you in all the years that I've been in this business, hotel students, hospitality students, are transferable anywhere and everywhere. They learn the basics of communication, of terrific customer service and they learn the importance of understanding where they work, who they serve and what they sell.

So your concerns are duly noted from my seat, but I would tell you, and this is a wonderful experience from my part, what we've come to see of classically trained hospitality students who get to live and work, you know, where they grew up, they are far better than anybody we can bring in, and they are, you know, eminently qualified to serve, whether it's in a tasting room, a catering hall, a restaurant or any business even related to our endeavor, which is promoting our region. So I thank you and if you have any questions.

CHAIRMAN LINDSAY:

Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Do you have positions open now that you're looking to fill?

MR. SALVATICO:

You know, I would say we do. It tends to rotate. The business is fairly transient, but we always have room for one more manager.

D.P.O. SCHNEIDERMAN:

And on those positions, you're looking for graduates of a hotel school program? Is that --

MR. SALVATICO:

We would like to anywhere possible.

D.P.O. SCHNEIDERMAN:

You would hire somebody who might not have been a graduate or only exclusively would hire somebody from a hotel school.

MR. SALVATICO:

No, we're not exclusive. I did not classically train in hospitality, but I was a business -- I had an MBA in business, I knew how to communicate, so we looked for people who could communicate and appreciate what we have to do. So I would say the mix right now out east is that 70 -- 60% of our managers did not go to hospitality school, and that was by necessity. Six, seven years ago when we hired them, we had to incur the cost of training them. Our most recent hires, the good news is, have actually moved out to Suffolk from Nassau County and New York City, so we've been able to bring in some really classically trained professionals.

D.P.O. SCHNEIDERMAN:

That's not unusual to the industry.

MR. DURHAM:

Right.

D.P.O. SCHNEIDERMAN:

That people are trained to be managers, they work their way up through the ranks. What would you say is the biggest impediment to you finding employees right now? Is it the lack of individuals who are trained in hotel management, or would you say the cost of housing or some of the other factors in the area?

MR. SALVATICO:

I will always understand the cost of housing makes things difficult on Long Island, that's something I appreciate. You know, I would say it's awareness. I mean, to a certain extent a lot of students don't understand the opportunities in hospitality. Everybody wants to be in finance or law or whatever, high paying professions are out there. But, a brief example. I speak to Chaminade High School students every year for career night, and I have the least amount of attendance in my session because the boys don't want to, you know, they don't know hospitality. Most of -- when I ask them why are you here they said we had to check a box, and they don't understand the industry. But by the end of each of those sessions I'm able to convince them that, you know, you may not go here, but if it does present itself, it's a wonderful opportunity and I go back over all the skills they would need to succeed and why they're suited for that. So it's a bit of a marketing effort for me.

D.P.O. SCHNEIDERMAN:

And, I mean, hospitality is a great -- it's a great industry. And I think somebody who's actually in a hospitality industry, you know, some -- there are a lot of people who can be trained to work in hospitality, but the biggest impediment probably is that, you know, the salaries in general are probably not enough to live in the area, and that's really complicated. The cost of housing is complicating it. It's not that there's a shortage of people who might be interested, it's just that if they are interested and they add up the numbers, it just doesn't make sense. A lot of the hospitality jobs are seasonal in nature, so it's maybe hard to employ somebody full-time, year-round. And you

probably experience this in your business where the summer months are busier than the winter months, although I know you're a year-round business. I haven't seen the lack of, you know, people with hotel degrees as an impediment. This is the first time maybe I'm hearing that, but to me it's the housing cost really have been the largest impediment for, you know, housing for workforce.

CHAIRMAN LINDSAY:

Okay. I don't see any other questions. Thank you very much.

MR. SALVATICO:

Thank you.

CHAIRMAN LINDSAY:

And our last speaker is Bryan DeLuca. Anybody else that's interested in speaking, if you could fill out a speaking card. This is our last scheduled speaker.

MR. DELUCA:

Thank you. I'm Bryan DeLuca. Thanks for seeing us today. I appreciate the opportunity to speak on behalf of supporting this scholarship. I run the Long Island Aquarium and Exhibition Center, the Hyatt Place Hotel, the Treasure Cove Marina and the Atlantis Banquets and Events, so we have a resort destination out there. Very proud of what we've built over the course of time. I'm also the Executive Director and founder, along with Steve and Janine Nebons, of the East End Tourism Alliance, which operates eastendgetaway.com. And I sit on the board with the LICVB and been on the Executive Board in the past.

So tourism is -- runs through my blood and it's what I live every single day in managing various businesses out there at the Aquarium and at the Hyatt. And there is an absolute need for a strong workforce with staff, with kids that can hit the ground running. You know, right now I have three Johnson and Wales graduates at top level positions, a Chef, Food and Beverage Manager and my hotel General Manager. And, you know, fortunately they all were Long Island residents and went to school in Rhode Island and came back and found a good job. But there is really an absolute opportunity for students to get jobs in the industry.

This degree is a hospitality tourism industry degree, it's not a hotel management degree. So it's very wide scope. And when Steve was talking about other positions, you know, I have a marketing position open right now at the Aquarium. Somebody can graduate with a Hospitality and Management Degree out of this school and get a marketing opportunity working with me and running our operation. It's not as narrow and focused as maybe we're perceiving right now as just only hotels.

One of the wonderful things that I like about this program, we get hundreds of students that come and work for us, interns, at the Aquarium. Everyone wants to be a mammal trainer, of course, and play with the seals. But, you know, the summer is a tough time for my staff to spend time with the students and really articulate training. The beauty of this program is it's in semester. We get those students for 120 some-odd hours and we get my managers to focus and train those kids while we are in an off-peak time, because the customer doesn't want to wait while you're trying to teach Johnny how to do something. So the summertime is tough for us and we get plenty of kids. This is during the semester and that's a critical piece in training.

We're putting a program together at our facility, and Jay, before there was maybe a misconception of, you know, what hotels get the benefit. It's a sizable task to train the students accordingly and appropriately, because, you know, I've been spending time with my Director of Education writing out the internship programs and having the follow-up programs -- was that my three minutes already?

CHAIRMAN LINDSAY:

Yes.

MR. DELUCA:

It was?

D.P.O. SCHNEIDERMAN:

That's all right. We'll ask you questions.

MR. DELUCA:

Okay. So, you know, the internship programs are really defined and detailed by our staff and the students are getting trained in a manner that we've really set forth, a plan of action where there's benchmarks for them to reach and for them to come to a conclusion at the end and feel, you know, well balanced and that we feel we gave them some tools to work with, and ideally those students can go on. Should there be criteria that they stay in Suffolk County for a degree period of time? Sure, and I'm sure the school can reevaluate that. I don't disagree with that thought at all, because we want the kids to stay local and we know the challenges with houses.

But at the end of the day there is an absolute need for students or people to come in with jobs that are well balanced, well educated and hit the ground running, versus the historic time of taking a manager that went through a manual from Marriott or Hilton and got trained and then trained the rest of his staff based on that. And now today, with social media and so forth, everybody needs to be up to speed and customers are very critical and they can hang you out to dry very quickly on Trip Advisor. So you need people that know what they're doing. And as Rob has said, communicating and so forth. And this is a good opportunity.

In regards to \$50,000, I'm in full support of the LICVB. Every dollar we get we want to market, and I don't want to give up a dollar, but I would make that sacrifice to support a workforce, because that is just as critical to create the right balance, and \$50,000 out of the funding that is there I think is a reasonable number to help support the workforce. Sorry to exceed my three minutes.

CHAIRMAN LINDSAY:

Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Bryan, in all due respect, if you had the 50,000 to support the workforce, it's probably on the housing issue to help them find housing to work at a hotel, because that's really where they're being squeezed out. But you manage the Hyatt, you manage the Aquarium. What's your background? Is it in hospitality management?

MR. DELUCA:

No.

D.P.O. SCHNEIDERMAN:

What's your background?

MR. DELUCA:

Business major and marketing major.

D.P.O. SCHNEIDERMAN:

But you learned -- you're probably an expert at this point in terms of managing hotels and other facilities. You've been on LICVB for a long time, you've been head of the East End Tourism Alliance

for a long time. Is the East End Tourism Alliance also going to match with \$50,000, this grant program?

MR. DELUCA:

No.

D.P.O. SCHNEIDERMAN:

Why not?

MR. DELUCA:

We don't have that kind of funding unfortunately.

D.P.O. SCHNEIDERMAN:

You don't have the funding. If you had 50,000 would you do this?

MR. DELUCA:

Yes.

D.P.O. SCHNEIDERMAN:

For the East End Tourism Alliance.

MR. DELUCA:

Yeah. You know, there is an absolute need for, you know, people to come in and have a well-balanced understanding of this industry, and we haven't had that support. And my point of saying the Johnson and Wale students, we're taking students from other places outside the state because we don't really have something that is homegrown, and I think this is a good opportunity.

D.P.O. SCHNEIDERMAN:

Have hotels on the East End come to you and East End Tourism Alliance and say what we really need here is a scholarship program for people who are going to hotel school? Because nobody has ever said that to me, not a single time has anybody ever articulated that this is an issue. Yes, they've articulated finding workforce is hard, but only because of the housing issue, but never because of unqualified people, only because they can't pay them enough to live in the area. That I hear every day. No one has ever said to me, you know, I can't run my hotel because I can't find someone with a hotel degree or a hospitality degree, ever. And I often hear, you know, they want to see the area promoted more. This is actually taking money from funds that would be used to promote the region and putting it into a scholarship fund.

MR. DELUCA:

Yeah, but you're potentially hiring somebody with, you know, marketing knowledge that could help promote that. Right now I have five students from Suffolk Community College on Main Street in Riverhead that work in my kitchen, and three of them are going forward into the hospitality program in St. Joe's. So, you know, to me, that's a terrific opportunity.

D.P.O. SCHNEIDERMAN:

I don't disagree. I mean, I'm a big fan of the Culinary Program at Suffolk County Community College and we, you know, underwrote those bonds and all the pieces to make that happen. That's a great program and I'm glad those people are graduating and becoming part of the local industry, whether they're in a catering facility like yours or working at a local bakery, whatever it might be. Suffolk County Community College has a great program. This is beyond Suffolk County Community, it's also St. Joseph's, which is a higher tuition --

MR. DELUCA:

But they have a symbiotic relationship as far as I understand. Those students that graduate from Suffolk, that two year degree, go over to St. Joe's and get a four year hospitality --

D.P.O. SCHNEIDERMAN:

They can go there but they don't continue at the same tuition rate that they're paying at Suffolk County Community College. It's quite a difference.

CHAIRMAN LINDSAY:

But they accept their credits.

D.P.O. SCHNEIDERMAN:

But they accept the credits, yeah. I don't have any other questions. Thank you.

MR. DELUCA:

Thank you, Jay.

CHAIRMAN LINDSAY:

I think that's all the questions we have for you. Ms. Fahey, did you want to add something?

MS. FAHEY:

To Legislator Schneiderman's concern that the -- the issue with the workforce is the inability for these workers to live here and afford to live here. That's definitely an issue. It's an issue with every industry cluster that we deal with; our manufacturing sector, our retail sector, our healthcare sector, and that's something that this Legislature and the County has addressed in various different forms with our workforce housing programs. But this money is specifically for the development of tourism programs and tourism development, so this money can't be used for anything else, and I just wanted to make sure that that was clear. The money that we're allocating for this program is to help to define and educate a workforce so that they don't have to go through the three or four year training with a new business. So our hotels and our restaurants and the tourism industry can bring on somebody who's two, three years ahead in training than you would a marketing major or a business major.

There are various different components to retaining our businesses and retaining our workforce. Housing is definitely one, and I think this Legislature and this County have done a phenomenal job in approving and providing opportunities for workforce housing. You have the workforce housing in Coram -- all over. You know which ones they are. This is one more component. We don't talk about the workforce housing component when we talk about the Manufacturing Center at Suffolk Community College or the Entrepreneurial Center at Suffolk Community College. We don't say we're not going to train you as a chef at the culinary school because, you know, at that salary you can't afford to live here. This is just one more little ingredient to the program that helps our industry bring on well-educated employees so they're that much further ahead and they can hit the ground running. It is not the be all, end all and we've never proposed that to be.

You've heard from the hotel industry that there's a need, that yes, they can bring on marketing, they can bring on a business major, but they still have those three years where they need to bring them into the realm of hospitality. We didn't have medical technicians 15 years ago because the doctor did everything. Workforce transforms, the need for the education in the workforce transforms and this is just trying to keep us a little bit behind the curve as opposed to way behind the curve with our tourism industry.

CHAIRMAN LINDSAY:

We just have a couple of Legislators have questions for you, Ms. Fahey. Legislator Stern.

LEG. STERN:

Thank you, Mr. Chairman. Carolyn, are you familiar with, have you heard of any other local municipalities or jurisdictions that have worked with their local tourism boards or convention bureaus to develop a model like this one?

MS. FAHEY:

No, I'm not aware of any. I think it's unique. I think we're acknowledging the need to help our workforce get through college with a degree that's applicable and with less debt if we can, a tiny little bit.

LEG. STERN:

Maybe you know the answer, maybe you don't, maybe Legislator Schneiderman or someone else does. To what extent do the larger businesses, the larger chains like a Hilton or a Sheraton, you know, send their management candidates through their own training programs? I know out east, you know, we don't have the large scale chains that might not provide those kinds of opportunities, have those kinds of programs and I understand that, but many of the other businesses that are looking to fill their hospitality positions I have to assume have some type of training program that could provide much of the education, much of the hands on training that they might do in a program like this.

MS. DONOVAN:

Our management level people come in with a hospitality degree if possible at all. The training that they get through Marriott or Hilton or -- I can't speak for Hyatt, is corporate training. It's not hospitality training as a whole. To have someone walk in with a four year degree or a two year degree and have this built into them is huge for us. It's very, very hard to start training people on all the idiosyncrasies that are involved with the hospitality business just through a training program.

LEG. STERN:

So to go through the training program, is this type of a degree a prerequisite for the most part?

MS. DONOVAN:

Yes.

LEG. STERN:

Okay. Thank you.

CHAIRMAN LINDSAY:

Legislator Gregory.

P.O. GREGORY:

Thank you. Hi, Carolyn. I applaud you guys for thinking outside the box. I'm a little -- I don't know. I think, you know, we rely so much on tourism. I'm a little surprised that we don't have a more robust educational opportunities for one of the major industries on Long Island, specifically in Suffolk County. So I'm a little surprised by that. But I do have some questions. I know you made some analogies to the Community College and the manufacturing program. The obvious difference in my mind, as I understand it, is the College reached out to the community, the business community and said what types of jobs do you need, what type of training do you need, and they developed their curriculum and their programs based off the needs of the industry.

Here we're saying obviously we know, you know, tourism is an important part of our economy. We're saying we're going to subsidize that to some extent in an internship fashion. I did an internship back in 1990 in the District Attorney's Office. I never got paid. There are many opportunities, internships, they don't get paid. I've been in office five years, I've probably had, I don't know, 15 interns. None of them got paid. So that's a decision. I think the educational

opportunity could be there without the payment, but the question I'm leading to is, you know, the industry I would think, the schools should reach out to the industry and say well, you know, we want to provide this opportunity, can you pitch in? And the industry comes together as a collective group and says yes, you know, this is important to us, we obviously benefit from it, we'll fund the scholarship because it's going to be for our benefit.

Has, you know, John Tsunis comes to mind. He's the President of what, the New York State Hospitality Association? He's a Long Island, Suffolk County guy. We should reach out to him and all the hotels and things that he's affiliated or affiliated with his association. We should be making those connections. Has --

MS. FAHEY:

Two points. One, the internship is not a paid internship, so they're going to be doing that above and beyond their schoolwork and everything else. The colleges have reached out to the industry and they are developing their curriculum to fit the industry's needs, just like we do with our manufacturing facility and so on. And it's our way, it's the County's way of doing just a little bit to help market an industry that is key to our economy. I mean, it's a big picture approach to it.

With regard to John Tsunis, he's sending in a letter of support saying that this industry needs well educated, well trained individuals to keep it up and to help it move into the next century. So I hope there wasn't a confusion there. This internship is not paid. It's a scholarship to hopefully entice some of the students to stay in the industry, to help those who want to be in the industry to come out a little debt free, to be able to afford the housing and so on that they come out with --

P.O. GREGORY:

So the monies will -- not to cut you off, but the monies will not go -- they will go obviously to the student, but the intent is to pay their tuition for the semester, a year or whatever.

MS. FAHEY:

Suffolk Community College I think we're talking \$1250, yes. It's going to be broken up, and 5,000 at St. Joseph's.

P.O. GREGORY:

Okay. I do have some more questions. You did want to make a second point and I cut you off.

MS. FAHEY:

That's okay, I think it was the John Tsunis.

P.O. GREGORY:

So how -- explain to me the logistics of the scholarship itself. Obviously there's \$50,000 that comes from the Hotel Motel Tax that goes to the LICVB. Who runs the scholarship, who selects who receives the scholarship, you know, all of that.

MS. FAHEY:

Each of the institutions will address the applicability of the scholarship based upon what they do now, and they can talk about how they do their scholarships now. So the way that we envisioned it was that the LICVB, the \$50,000 would be allocated 40,000 to St. Joseph's for eight 5,000 scholarships, and 10,000 to Suffolk Community College for eight \$1250 scholarships. They need to be full-time residents of Suffolk County, the students. They need to be full-time students, they need to complete a scholarship essay that will be reviewed by each institution for the determination of who receives the scholarships. And then during that year, they need to do that internship and/or do a paper in conjunction with a professor that will market and/or put together a plan to assist in Suffolk County tourism. Those -- those papers will then be reviewed by LICVB and be part of, you

know, of our commitment from the student.

P.O. GREGORY:

So the colleges, their existing scholarship program process will remain, but then once they make their selection, then the recommendation goes to the LICVB? Is that what you're saying?

MS. FAHEY:

No, they will have authority to award the scholarship and then at the end of the semester they will send the scholarship information to the LICVB, and the LICVB will reimburse them.

P.O. GREGORY:

Okay. Now -- okay. I had another question. I'm getting old. It escapes me. All right. So the LICVB -- so at what point do, I mean, I don't want to get too deep in the woods about where, you know, who decides where the people, you know, the students go to. Do they have -- I guess the question is will they have an opportunity to select where they go or will they be told kind of where the opportunities are and then they're directed to whatever business?

MS. FAHEY:

For the internship itself?

P.O. GREGORY:

Yeah.

MS. FAHEY:

I will turn to St. Joseph's if they want to address how their handling it.

P.O. GREGORY:

Just as she's coming up, I'm really concerned that Suffolk County taxpayer dollars will go to a scholarship, internship, however you want to phrase it, and there's no requirement for them to remain in Suffolk County. I mean, we can provide an opportunity, debt free, we've heard the stories of the brain drain, and we pay for this person, they have less student debt and then they go off to Florida and they live happily ever after and thank you Suffolk County, but no thanks.

MS. FAHEY:

Well, it's one of the reasons why we built in the internship, so that not only -- that's a two way street. The business also gets somebody that they can then, you know, entice to stay here, to look at them for future opportunities, to offer them future opportunities. You know, I talk to business owners all the time who have interns come in and next thing you know, once they graduate they are bringing them on because they've had the ability to experience their work ethic, to see what their education has done. So in the interim of that student graduating, the County gets something back and our businesses get something back directly in that internship, so we are getting something concrete through this internship -- for the internship for the scholarship. So there's a direct benefit to the County before they even graduate.

P.O. GREGORY:

Okay. Thank you.

MS. LAMBERTA:

I'm just going to make a couple of points just hearing all of your questions. First, so that you know, the major was built upon three existing majors at St. Joe's; Business Administration, Recreation and Leisure Studies and Health Administration. So there's a very strong business component. There are required business courses, including business law. There are finance courses, accounting courses and marketing courses that are required of all of the majors. So that, you know, it's all

encompassing. I just wanted to make sure that it's not just hotel finance or hotel, you know, there's a lot -- a very broad base and broad mix, including event planning, because we have a lot of agencies and industries right here on Long Island where my students in Recreation and Leisure Studies currently intern at centers that plan events. So, you know, it's very broad based. So hospitality is the key component where consumer satisfaction, consumer service and whatnot plays a thread, a common thread through everything that we do.

As far as the internship programs are concerned, the way we operate our internship programs -- and also they're unpaid internships. And there's a lot that's placed on the industry to supervise interns and train interns. There are a lot of requirements for that person who's actually volunteering their time to help create this experience to provide better skills and a real world context for the students. They will be able to apply what they've learned in a classroom setting, in a real world setting, so that they're that far ahead. And we don't do the training like Hilton. We provide the education and the academic requirements, and then, of course, the Hilton or the Sheraton or any of the other hotels or anywhere you go will train specific to what the corporation might deem as necessary.

As far as placement of interns, that was kind of something that we do in terms of what is your area of interest, because it is so broad. And remember, we're also talking about healthcare hospitality. So there are some students that might choose to intern in a hospital setting or a long-term care setting, so we're addressing a broad base. The students that we have live here on Long Island. They're currently living in Suffolk County; we're a commuter college. So housing for them, a lot of our students continue to stay home while they're getting their education and while they're doing their internships. I have students that intern right now in my -- in Department of Recreation and Leisure Studies, which is another department I Chair. And we match the student with the area of interest. We find that that's very important. So no one is told where they have to go. And then we give them choices. If you're looking for something in tourism or ecotourism, we'll give you these particular choices. If you were looking for hotel, these are the choices. These are, you know, several hotels that we have or what have you. LICVB, travel agencies, these -- you know, the wineries. There's so many different opportunities.

We are also a member of the Long Island Hospitality and Tourism Association and the New York State Hospitality and Tourism Association, so we're a member of both of these organizations. We're actively involved, we're activity involved with the LICVB.

In addition to that, we also have an Institute for Hospitality and Tourism Management, which provides free to the community and certainly for the students, not just at St. Joe's, but at Suffolk and faculty and staff, any one of you in this room can attend one of our networking breakfasts that really hones in on all of the Long Island issues, what needs to be done. We try to educate through the Institute, and it also enables students to network with people in the industry. So those are some of the things that we do. I hope I answered your question.

P.O. GREGORY:

Yes, you did. And maybe you can provide some interns here so when there's a screaming mob of people we can kind of --

MS. LAMBERTA:

I can do that.

P.O. GREGORY:

-- hand out some sedatives to calm them down.

MS. LAMBERTA:

I don't know if we can do that, but we can give you some interns.

P.O. GREGORY:

You know, I'm the new guy on the block, the new Presiding Officer. I've thought about instituting a formal internship program. I looked at how the New York State Legislature does it and other institutions do it. There's a lot of work to it, you're right.

MS. LAMBERTA:

There's a lot of work to it.

P.O. GREGORY:

You got to manage it, you want to have a curriculum, it's an educational experience. You just don't have people come in and, you know, answer the phone or whatever. So there's a lot to it, I get that, and particularly as a small business, you know, it can be time consuming. I do have some questions, but I will yield to my colleagues. But thank you, thank you for being here.

MS. LAMBERTA:

Okay.

CHAIRMAN LINDSAY:

Legislator Kennedy had a question as well.

LEG. KENNEDY:

Carolyn, let me talk with you. And Doctor, thank you. Having taught down in St. Joseph's, you do a great job down there.

MS. LAMBERTA:

Thank you.

LEG. KENNEDY:

It's a good school, it's an excellent school. Having said that, I want to talk to Carolyn for a while about what this thing is all about. This guy right here, he's an intern, or was an intern. Came through Stony Brook's Masters in Public Policy Program. Six credits he received while he interned in my office over a nine month period.

MS. FAHEY:

Wow, that's great.

LEG. KENNEDY:

He experience, I got free labor. It worked out great; he got a job. You know, I hear the point that the industry is making about some of the need for the East End, and I don't want to oversimplify it. Look, I believe that people need certain skills. It's different going for, you know, a stay at Gurney's as opposed to coming to -- there was a gentleman here from Upsky. Upsky just purchased and took over the Sheraton right here on Motor Parkway. That guest, if you will, typically is a much different guest than the one you'll be servicing out east for a recreational type of adventure. Here you're talking about typically business for our industrial park. I didn't hear a word about business. You know, with 50,000 employees right here in the industrial park and a real desire, and where's Moke? He's still here, right? We've talked at length about what LICVB is doing on the commercial side. We're hearing about all of the wonderful things associated with our tourism and international tourism and, you know, the vitaculture and I was hoping to hear about the bourbon and stuff like that, but a very big component here we have is on the business side.

And quite frankly, Carolyn, look, you know, I worked all my life to get my degrees. I'm not

insensitive and I put four kids through school. Yeah, it's expensive, but I remain unconvinced at this point that this is the best way to go ahead and meet some of their needs. I'm also a little concerned, quite frankly, as the Presiding Officer said, there's no matching money here. I mean, the major principals in the industry do their own internal training, I guess, but if they feel that strongly that this particular degree is what's going to meet their needs, I would have at least thought that we would have seen something comparable on the table.

I'm not inclined to support it at this point. You know, I might entertain a tabling, but I think that there's probably much more to talk about in this area before I could get behind it. So thank you.

MS. FAHEY:

Just one response with regards to the west end hotels and the west end tourism industry. You're right, there is a business component to it, but there is also a convention component to it that would be a huge benefactor of the enhancement of this type of workforce.

LEG. KENNEDY:

Okay. And I should be broader when I use the terminology, because you're correct. I say business, however, to their credit, Dr. McKay is bringing in the International Badminton Tournament in July at the Western Campus. So when I say business, I guess what I'm thinking about is, is the business of pursuing those types of regional and national meetings that folks have that run the gamut of the human condition from doing business, to crafting, to religious ventures, to many different types of things, hopefully electing to do it here in Suffolk in our commercial properties. And, you know, I've listened for a while now and I didn't hear that once.

MS. FAHEY:

And Moke will address that when he does his presentation on what that the LICVB has done and how successful they've been in that endeavor.

LEG. KENNEDY:

Okay. Thank you.

MR. MCGOWAN:

Just two real quick points, Legislator Kennedy. One is the industry for a good number of years, since I've been here, it has been at the table with grant dollars, primarily through the Lodging Association, which was very actively engaged for seven years, and then because of a loss of leadership, they were inactive for a couple of years and they have reformed it. During those seven years of providing scholarship dollars through -- basically they ran a golf tournament each year that generated close to \$100,000 over a seven year period of time, and the dollars were split and provided to both Nassau Community College, Hospitality and Tourism, as well as Suffolk Community College. So they have been a partner over the years and will continue to be so.

And you're absolutely right with regards to the development of business. We're not in it alone, fortunately, as a sales part of our function being sales oriented and working to attract meetings, conventions and sporting events and things of that nature. We fortunately have some very good partners throughout our lodging community who are likewise all working to attract individual business to their individual properties. So we are the primary entity that is trying to attract that kind of business from off the Island, whereas the hotels and the lodging and whatnot are working with the business communities on the Island to generate business.

LEG. KENNEDY:

Moke, I don't mean this to be a criticism of you. I know that you've done so repeatedly and we've had many conversations along these lines. And as a matter of fact, one of our own internal limiting types of entities is the size of the venues that we have to offer. Some groups, associations want to

start at a 10,000 seat venue. We don't have that here in Suffolk County, I do get that.

And I'm glad to hear about the Lodging Association being a partner with skin in the game, if you will, and I hope that that's reactivating. If there was a 36 month hiatus, I'm hoping to see them back and part of it.

I'll also go to the notion of what it takes to go ahead and have a young person be able to get the education, get the job and get the house here in Suffolk County. You've heard me say it many times, I'm the father of four children. I'm working with my children now as far as trying to find homes, some who live out east and want to come west, some who are trying to buy for the first time. I have preached it for all my 10 years here, Long Island Housing Partnership and Peter Elkowitz, and as you know, businesses who do put some money in the game help get the first time home buyer in the house with the down payment assistance. They don't get the five bedroom, three car garage palace, they get a three bedroom ranch like I live in. That's where they start and that's the kind of thing that I want to see sometimes back on the table when we talk about those new hires and those first time folks being anchored here and invested in Suffolk County. So, for what it's worth.

CHAIRMAN LINDSAY:

Thanks. Thank you, Moke. No other cards at this time. I'm going to close the Public Portion. And I'm going to ask Commissioner Minieri if she would come forward and we'll move on to our presentations.

COMMISSIONER MINIERI:

Good afternoon.

CHAIRMAN LINDSAY:

Thank you for being here today, Commissioner Minieri. I know we had a request from some members of the Legislature, and I know Legislator Kennedy had some questions, so I'll let him lead off in regards to the IDA.

LEG. KENNEDY:

Yes. Commissioner, thank you very much for being here. I appreciate it. I have a bill on the table today, as a matter of fact, going back oh, maybe it was six weeks ago. We originally had some discussion about a successor to Anthony as he's transitioned into the new consulting role that he has, and most recently, we got to have a conversation with your newest appointee, Ms. Cochran. I guess I'll just reiterate what I had talked about, and you and I have had this conversation before.

I feel very strongly that the employees of the IDA should, in fact, be folks that come from Suffolk County. Witness the conversation we've just had for the last hour. We have young people and, you know, people my age that are going back for second and third careers, who have education, who have competency, who have skill, and I think it's important that when we're looking at hiring to meet the mission of the IDA, that they get considered and that they get brought on. And I'm just hoping that's something that the Board can look at as it goes forward. Implicit in that is the assumption that you will be appointing a new full-time Director? How's that for the question?

COMMISSIONER MINIERI:

Okay. How about I do -- let me just explain what is the process.

LEG. KENNEDY:

Okay.

COMMISSIONER MINIERI:

Economic Development 5-7-14

And where we are. First, I would like this committee to understand that we have a Board of Directors. There are seven members, I am the Chair. We also have at the IDA itself, at the agency, we have an Executive Director, we have a Deputy Executive Director and then we have a handful of staff members who assist in the day to day operations of the IDA.

The appointment of the Board is done through the Legislature, and the appointment of the Executive Director is done through a resolution of the Board of Directors of the Suffolk County IDA. That's the process. The selection of the candidate who will hold the position occurs through the discussion and typically through a normal review of potential and qualified candidates.

What has recently occurred at the IDA is that our Executive Director, Anthony Manetta, has chosen to resign. We at the Board and myself as Chair, you know, have really one very focused mission, which is to continue and further the activities of the Suffolk County IDA, which are solely and focused on creating, attracting and retaining jobs for Suffolk County and creating a sustainable economy. In our efforts to continue to do that, we felt that it was very important to maintain the quality and the experience of the professionals that have run this IDA for us.

As you know, over the last two years, which is my tenure there, the Suffolk County IDA has really differentiated itself. We've worked very -- the County Economic Development and Planning, where I am the Commissioner also, have worked very closely with the Suffolk County IDA, and we have done extraordinary things this -- these last two years. I think you've heard some of the results of the efforts under Anthony Manetta as the Executive Director, myself as the Commissioner of Economic Development, where we have, you know, basically retained over 4300 jobs. We've created the opportunity for companies to invest over \$232 million in Suffolk County. And we've retained new -- we've created new jobs, about 1400. All of those efforts are done as a result of the skill and the focus and the strategy of that agency.

We feel that it's very important to maintain that momentum. We feel that, you know, attracting and retaining jobs in Suffolk County is the absolute focus of the agency. And in connection with that, retaining Anthony for a period of time under that special advisory agreement that the Board agreed to do was critical, because what we want to do is we want to continue those operations unaffected by the modification or the change in management.

And today, I stand here in front of you and let you know that that is, in fact, the focus of myself as the Chair, and that we're really very much interested in evaluating today the model that we have in place where we have an acting Executive Director in Tony Catapano. He's been with the IDA for over 15 years. He started as an intern. He has the capability to handle not only the financial aspects of the IDA, but also the administrative as well as the operational, and he's doing that. I work very closely with Tony and over his last two years with respect to the transition that the Suffolk County IDA has made where they are very much in the forefront of business development, branding, and looking at the needs of businesses and responding to those needs by discussing possible new programming opportunities for them. As you know, we have some incredible programs here over the last few years at the IDA that have really differentiated us and have given us the ability to attract and to retain these jobs. So we want to keep up the momentum and we want to make sure that we have the professional skill set and leadership to do that.

We have entered into an agreement with Anthony that is cancelable by either the Agency or Anthony with a two week notice. I'm constantly in communication with both Anthony and Tony and several of my Board Members. I anticipate that we will continue to work the IDA. We will continue to be effective and we will continue and further the momentum that has been established. We also like to evaluate some of the new things we can do, what we maybe can do better in attracting new businesses, and we'll be doing that and evaluating that over the coming -- over the coming months.

LEG. KENNEDY:

If I can, Mr. Chair, just as a follow-up. No doubt about it, in the time that you've been here, the IDA has moved to a different level, and to your credit and the administration's credit, the whole team, you have been successful at retaining business and at growing business, and I see the results of that firsthand right here in the industrial park. And you've been very accessible, very open. And I know that, as a matter of fact, there are still certain opportunities that Anthony is working on, particularly right here in the 12th LD. So I'm happy to see that. And I don't want to see anything cause that to go awry. I also commend you with the RPA initiative. That is, again, thinking outside the box, and I'm looking forward to that process commencing in Smithtown and Kings Park. We need the assistance, we know we can get to where we want to be and hopefully they can be a good bridge.

But let me see if I can understand, then, in what you're telling me. So -- and by the way, Tony Catapano is a great guy. As a matter of fact, I knew him when I was in the Exec's Office and have worked with him firsthand. Very knowledgeable, very skillful, knows all of the facets of the IDA program. So if he's the day to day, he's a good steady hand. But does that mean, then, that you're not anticipating filling the Executive Director's position at this point? How much longer are you going to go with Anthony on the retainer?

COMMISSIONER MINIERI:

Anthony, I believe Anthony would like to stay on his retainer maybe through the end of June, okay? What we want to do, and what I am focused on doing, is maintaining the operations of the Suffolk County IDA and the business that we run at that agency, okay. And in the last two years, we did a lot of new and exciting things, and at this juncture, I would like to take the opportunity to discuss and evaluate the structure going forward, okay. We have -- we have partnered with, as you know, the RPA. We have partnered with a marketing firm that assisted us in branding and getting the message out there. I'd like to take this opportunity, because I do believe we have the leadership, the quality and the skill set to continue operating the IDA through a period of potential change, okay? We are very fortunate in Tony -- you have to say Tony, not Anthony, Tony Catapano in his skill. And I have to tell you that over of the last few years he's taken on additional functions with Anthony.

As you all know, Anthony as the Executive Director was very much out there with business development and all of these other new programs and I'd like to keep that momentum. And you know, I'd like to -- I'd like to evaluate the use of these partnership programs that we have working with private sector and not-for-profit companies that have expertise in the areas that we need to continue to promote the Suffolk County IDA, to continue to be able to attract and grow this economy. And I'd like to take the opportunity to think about how the job functions within the IDA can be divided, and that's what we're doing. We will not -- we will not skip a beat in the operations of this IDA and that is what I think is the most critical and what we will be focused on. So in anticipation of what is to come, we, you know, we would like, myself and my fellow Board Members, to look at what the next -- what the next job description, what the next opportunity, what the next skill set, what's the strategy, and that's what we're going to take this time to do.

LEG. KENNEDY:

Which is prudent. As a matter of fact, nobody should ever act in haste, especially when you have what seems to have been a good working model up to this point. And as you pointed out, a good momentum. So then let me just make request simple.

COMMISSIONER MINIERI:

Okay.

LEG. KENNEDY:

As the Board is basically a board that sits in our stead, as you get or approach what may be a

change in the way that the executive staff is set up at this point, I'd ask that you come back to us first to discuss it. What I don't want to find out is I don't want to read Rick Brand's article that shows me that all of a sudden we have some new and innovative and different configuration. I think the partnerships that you've talked about are important, and I think that that is important for us to be fully apprised before we implement. Okay?

COMMISSIONER MINIERI:

Okay.

LEG. KENNEDY:

Thank you, Mr. Chair.

CHAIRMAN LINDSAY:

Ms. Minieri, we've spoken at great length on the issue. It seems we are in a defensive mode where we're trying to retain more so than trying to grow outside of the County. So could you break it down from a percentage standpoint of how many of the deals the IDA has done over the last, say, 12 months where we're keeping companies here in Suffolk County as opposed to attracting new ones into the County, growing.

COMMISSIONER MINIERI:

I don't have the details. I think off of the top of my head we've retained 4300 jobs of which about 1400 were new. I don't have the split between attracting new businesses versus growth and consolidation of other companies, but we could put that together.

What I would like to add, though, is that that is some of the things that we would like to evaluate, okay, because, honestly in, you know, retaining companies is critical. You can't -- but a lot of the programs are directed toward attracting new companies. And in that effort, you want to -- you know, it's my goal to attract companies that complement the companies that are here, okay? And I think that we need to do a little bit more, you know, understanding and evaluation and responding to the needs of companies, because -- would you like me to --

LEG. HAHN:

No, no.

COMMISSIONER MINIERI:

I think one of the critical things that we're learning is we need to meet the needs of the businesses, whether they're here or somewhere else and we'd like to get them here. Some of the things I heard earlier on, which I'd like to just mention I support that IR for the scholarship. I think it's a great investment. But the, you know, really responding to the needs of what the businesses want, because until we understand what they want and what they need and can provide it to them, we're just going to continue to be, you know, going around in a circle and I think that's the goal and that's what I really would like to understand a little bit better and then go forward and try to get the best way to attract the new businesses, because I do believe that generally the majority of the business we did was retaining.

CHAIRMAN LINDSAY:

I agree. And you know, I would like to see the focus of the IDA go more on the offensive and be more proactive, and maybe defining that niche of what fits both within the County from a business perspective, from a population perspective, from an education perspective and put all those pieces together. And then instead of a shotgun approach where we're just throwing out different ideas, I'd rather focus that more with a laser, so to speak, so that we're really defined in what we think fits here in the County, and that translates into a great sales pitch to any company outside the region as to why they should relocate here to Suffolk County.

The last point I just want to make, just to agree with my colleague's statement, Legislator Kennedy, I would hope that you would involve us in that process if you restructure the IDA and how the IDA is run, in what format, that you would include us in that process as well. Legislator Hahn, I know she had a question.

LEG. HAHN:

Thank you. I've been attending as many IDA meetings as I can. And I don't -- you know, as an outsider sitting there just observing, I don't know that I can articulate exactly what the strategy has been up until now. So I do agree with you, that this is a good opportunity to have those discussions. And I agree with my colleague, the Chair, Chairman Lindsay, that, you know, we really need to be thinking about this and focusing. And I would argue that, and as we're having these discussions we should be thinking about which industries are growing, but which industries are growing -- there was an interesting Newsday piece over the weekend about different sectors that are growing and some sectors are growing and not -- their average salary is pretty darn low, and, you know that that's, you know, a problem here for us. And then there are other sectors where there's, you know, really -- and we did, the IDA recently supported IPS, or whatever it was called, recently where they were talking about a couple of new jobs, several new jobs, but they had an average salary, if I can find my notes, \$80,000 range or something like that, if I remember correctly. Oh no, \$100,000 range.

So I would hope that we would -- that would be part of our thinking, too, is that kind of we're focusing on trying to grow in industries where there are high paying, sustainable, Long Island sustainable, wages being paid. And that, you know, kind of was leading me to think. Is there a report, and we get so many reports, I don't remember seeing, you know, some sort of annual IDA report about year-end numbers, about the number of jobs created, the salary of the jobs that were created and/or saved or whatever. You know, divided by the amount of taxes abated, like our investment and what it got us and the industry it was in, and etcetera, etcetera. You know, and where geographically. Is there something like that that I've missed?

COMMISSIONER MINIERI:

No, you haven't. Actually we compile that in order for us to come up with the information I just articulated, the 4300 jobs, \$242 million investment, the \$43 million in payroll. Attached to that is the -- along with that schedule is the amount of incentives. In fact, Tony Catapano and I have been reviewing it and it's coming over to the Budget Review Office shortly. So your -- with respect to the amount of incentives that were given, the amount of taxes that will be -- that will be paid, that's all on that schedule for the deals that closed in 2013, so you get that information. It's compiled every year.

LEG. HAHN:

And then I want to understand why -- I don't see a good reason to wait to hire someone. I think that, you know, it's -- whether it's Tony, you know, moving up and he's qualified to do this and lead the organization, I just don't see a, you know, a benefit in dragging this out and especially that contract. It just doesn't make sense to me. So I, you know, I'm just interested in understanding what the screening and what the recruitment procedure is going to be there. And who's in charge of that, is it your -- your office, or, you know, the IDA Board?

COMMISSIONER MINIERI:

Again, yeah. The Board -- the Board is responsible for the hiring of the IDA -- the Executive Director through the resolution. The, you know, the actual screening or collecting of resumes and evaluating those resumes for the potential candidate will occur, I'm the Chair, and we'll work together to go through that process.

What I would like you to try to understand is that, you know, it's very important to get the quality of the professional that you want to further your plan for your strategy, okay? And as you've seen over the last two years, the IDA and the strategy and the agency has gone through a transition. And it's an important one. It's a driver of business, it's a driver of business development for the -- for Suffolk County. Anthony and the Board and the Economic Development and Planning Department came out with new programs, the Boost Program, the stem -- you know, the website to make the connection between employer and employees. Those are all important -- the use of the RPA and bringing those resources to the municipality so that we can begin to stimulate economic activity for companies to come into the IDA. Those are all results of good leadership, good, you know, professional talents, and I think that, you know, it would be prudent for us at the Suffolk County IDA to review that and to understand how the management of the IDA can be structured. You know, when you are trying to do economic development and stimulate economic activity, you know, there are experts in the private sector, in the not-for-profit sector that are in -- they're in the deals every single day. They have clients and they know what their clients needs are, and when you engage those and you create that partnership or that relationship, it gets you in a room that you otherwise wouldn't be in. And that's what I'm really looking to really sort of evaluate and understand, because I do think that we need to understand and we need to be in front of those businesses that are thinking about doing different things. And we want to know who they are and we want to be able to respond to them. And having a relationship from the agency to, you know, a contractual relationship from the agency with a private sector company or a not-for-profit company like RPA is very valuable, and it could, in fact, be the most efficient way to do this. And the this I mean is further the mission of the IDA, attract and retain businesses and stimulate the economy.

And so I think that it's important and I feel as a part of the leadership of the Board to evaluate that at this point, because I think that the last two years has shown a difference, and I think we need to look at it and we need to reflect on it and we need to build on it going forward. And I think that we are very fortunate with the talent that we have at the IDA today on the Board and in our partners in our -- the law firms that we have that work with us, the accounting firm we have that works with us, the marketing firm that we have working with us, you know, the planning firm. We really have a wealth of expertise there, and I think it would be -- it's prudent to evaluate that as we move forward.

CHAIRMAN LINDSAY:

Presiding Officer Gregory has a question.

P.O. GREGORY:

Thank you, Mr. Chair. Thank you, Commissioner. I'm glad to see that you guys have some type of process to move forward in a search for the new Executive Director. At least you're having communications and discussions about it. I want to shift gears a little bit. I wanted to get your opinion on Legislator Kennedy's bill, I.R. 1329. Have you had a chance to look at that?

COMMISSIONER MINIERI:

Yeah, I read it. I did read it this morning, yes.

P.O. GREGORY:

What's your opinion?

COMMISSIONER MINIERI:

You know, I feel strongly, and I don't think this is going to be a surprise to you, but I really do believe that hiring, the priority needs to be the capability and the quality of the professional to fulfill the function and the mission of any company or any agency. I feel that's important, I feel that strong. I feel, again, certain restrictions I believe that that resolution sets forth I think is not the primary purpose when you look to hire the professional talent for your leadership and the fulfillment

of your mission.

P.O. GREGORY:

Okay. My -- you know, I support the bill in spirit. I just -- you know, we've kind of come across this wall before or ran into this wall before, where, obviously, the Board and the selection of the -- well, we do the selection as the Legislature, but as far as the governance of the Board it's mandated by the State Law, so we have very few restrictions. But I've seen, you know, without naming names, you know, I think Suffolk County has clearly made a statement that in its governance that we don't want to politicize the process. We've seen counties not too far from us, without naming names, where there's County Attorneys who have done Election Law work. You know, it's kind of difficult, particularly from the Legislative point of view when your attorney is a partisan person, when there's Deputy County Executive's that are presidents of political clubs.

I think Suffolk County rightfully has taken the stance that, you know, in our governance we all have parties and party affiliations and political ideologies, but in our governance we try to depoliticize the process as much as possible and that's for the benefit of all Suffolk County residents. And I think, you know, with the rule that we have with the Deputy Commissioner's and above, they cannot be affiliated with any -- or have any role in a political party. Although we don't govern or, you know, we don't statutorily have legislative oversight over the IDA, I think certainly if you could bring back the message that historically this is something that we feel strongly about, that we shouldn't politicize any of our operations, I guess, with the exception of OTB. But you know what I mean.

I hope -- you know, we can't -- we obviously can't tell you -- we can appoint people on the Board and hopefully they have, you know, that type of philosophy, but I think, you know, I think it's important, particularly with the IDA when it has so much -- it has so much potential to affect the local economy that we want, as you said, the right person in a responsible role and not necessarily the political person, which unfortunately may be the right person. But, as you've seen, historically that necessarily is not the case. So I -- if you could, I would just like you to send that message back. I won't be supporting the bill today because I don't think we have the authority to do what the bill asks for, but I do support it in theory and spirit. And that's all, Mr. Chairman.

CHAIRMAN LINDSAY:

Thank you, Commissioner Minieri. We appreciate you coming in this afternoon and look forward to continuing to work with you.

COMMISSIONER MINIERI:

Thank you very much.

CHAIRMAN LINDSAY:

Mr. McGowan, is he still here?

MS. FAHEY:

Yes, he is.

CHAIRMAN LINDSAY:

While we're waiting for him let's go on to the Introductory Resolutions and we'll go through them and we'll get things moving along here as we've kind of run a little long today.

Introductory Resolutions

Introductory Resolution **1329 - *Establishing a new policy for appointments to the Board of the Suffolk County Industrial Development Agency (Kennedy).***

LEG. KENNEDY:

Well, I'll make a motion to approve; it's my bill.

CHAIRMAN LINDSAY:

I don't see a second for you, John. Any other motions?

LEG. STERN:

I will make a motion to table.

CHAIRMAN LINDSAY:

Motion to table by Legislator Stern. Can I get a second on that?

P.O. GREGORY:

I'll second.

CHAIRMAN LINDSAY:

By the Presiding Officer. So we'll vote on the tabling.

LEG. KENNEDY:

On the motion, and I appreciate the Presiding Officer's comments, and I appreciate the fact that we have the bill even as a -- still a tabled item. I probably am going to have a conversation with Commissioner Minieri very specifically about the political standard. I feel strongly, as we all do. We have many, many, many, many well qualified and bright people who live here in Suffolk. So there's no doubt in my mind we can appoint a Suffolk County resident to handle the day to day functional aspects of where the Board is talking about. I think the political office piece is really axiomatic. Under no circumstances should a political party leader hold this position as Executive Director. And you said it very well, Mr. Presiding Officer, and I think it's important that the message be there. You were very clear with Commissioner Minieri, but nevertheless, I don't want the Board to forget that they do answer to us. And so I think this will help keep that. Thank you.

P.O. GREGORY:

And if I can, just to piggyback off my earlier comments. I think it's just -- it's not appropriate to have, you know, if there's a political leader of the opposite party, even of the same party, as a Legislator or even the County Executive having to be put in an uncomfortable position or awkward position, I should say, because of politics. Their, you know, decisions should be made off of the value of the, you know, the issue at hand and not for political or potentially political reasons, and that's -- you know.

LEG. KENNEDY:

It gives us the transparency and the access that's critical for all 18 of us, and that's ultimately what we want to be able to preserve and promote.

CHAIRMAN LINDSAY:

Thank you, Legislator Kennedy. The only thing I would add to that is in terms of the residency issue, I'm a little undecided with it because I could see the other side of the argument. If you have a strong candidate for that position who's got a large database of perspective companies to move within the region and they're from outside the region, why would we want to preclude bringing them on.

LEG. KENNEDY:

Well, what we might do there, Mr. Chair, is, and we've seen this previously. The County Executive made a -- he made an argument when he first came into office that there were certain individuals he wanted to bring on to his team that were Nassau County residents. And then we've also at times

had folks that live elsewhere throughout the country, and there's been requests to waive for a year's period of time to give those individuals an opportunity to relocate here in Suffolk County. So, you know, no rule should ever be an absolute. If we had an individual that, as you said, had a tremendous book of business, had a lot of experience and clearly was going to be an asset to us in drawing business, then we might be able to go ahead and contemplate a six month or a 12 month waiver, giving them the time to go ahead and make their personal adjustments or arrangements to then become a Suffolk County resident. But nevertheless, it would be clear from our perspective that we were still promoting that what we generate winds up benefiting and inuring to people who ultimately are going to live in Suffolk.

CHAIRMAN LINDSAY:

Okay. Thank you. At this point I'll call the vote on the tabling motion. All those in favor? Against? Abstentions? **(Vote: 6-0-0-1 Not Present: Legislator McCaffrey; Presiding Officer Gregory is included in the vote)**

Okay. Moving on to ***I.R. 1395 - Approving and authorizing an amendment to the contract to promote convention business and tourism in Suffolk County (Co. Exec.)***. On the motion, do I have anybody?

D.P.O. SCHNEIDERMAN:

Motion to table subject to call.

P.O. GREGORY:

I'll second.

CHAIRMAN LINDSAY:

Second from the Presiding Officer. I'm going to abstain from this.

D.P.O. SCHNEIDERMAN:

On the motion. I just wanted to -- from Counsel, and I have no real problem with the idea of a scholarship, I just think this is an inappropriate way to fund such a scholarship, because these monies are tax monies that were collected specifically for the purpose of promoting tourism. George, have you had a chance to review whether this actually complies with the New York State Law and with the local law regarding the Hotel Tax and how that money ends up at the LICVB?

MR. NOLAN:

Both the State Law that authorized the Hotel Motel Tax and our local Law which implemented it directs us and states that we have to enter into a contract with a tourism promotion agency to administer programs designed to develop, encourage, solicit and promote convention business and tourism with the County. The promotion of convention business and tourism shall include any service function or activity by the tourism promotion agency with the intent to attract transient guests to the County. You know, and so based on that language in the State Statute and our local statute, it seems like a stretch to me to say that establishing a scholarship at St. Joseph's, you know, fits within that definition.

D.P.O. SCHNEIDERMAN:

Okay. That was my feeling, too, that it didn't comply with the law. And your feeling is it probably does not comply with the law. Is that fair to say?

MR. NOLAN:

I'm sure, you know, somebody could make an argument on the other side, but when I just read the statute and then look at the purpose of the resolution, I think you'd have to very liberally interpret this to capture this particular program and this scholarship.

D.P.O. SCHNEIDERMAN:

You'd have to show that this scholarship led directly to people coming to Suffolk County to stay in hotels, right?

MR. NOLAN:

Well, it says the intent is to attract transient guests to the County, that's the purpose. So again, it would be a very liberal interpretation to say that the scholarship program does that.

CHAIRMAN LINDSAY:

Mr. Vaughn, you want to chime in on this?

MR. VAUGHN:

Yes. Thank you very much, Sir. While I understand that certainly every idea that we bring across the street is not going to be universally embraced and loved, I would, if there is such concerns that Legislator Schneiderman does have, I would certainly like the opportunity for the bill to at least be tabled so that perhaps we can continue a dialogue. Tabling subject to call kind of strikes us a -- certainly a surprise at this moment in time and I'm not really a huge fan of surprises. But if we could at least table the bill to allow a dialogue to continue that would be appreciated.

D.P.O. SCHNEIDERMAN:

You can always reintroduce the bill.

LEG. HAHN:

Motion to table.

D.P.O. SCHNEIDERMAN:

I still would prefer to see it tabled subject to call.

CHAIRMAN LINDSAY:

We've got a motion to table from Legislator Hahn. Do I have a second on that?

D.P.O. SCHNEIDERMAN:

Okay, I'll withdraw my motion to table subject to call and make it a motion to table in the interest of dialogue.

MR. VAUGHN:

Thank you.

LEG. KENNEDY:

Mr. Chair, I just -- let me for a second, I don't want to get into the dialogue with the County Attorney's Office, but I think as our Legislative Counsel articulated it, this is not just one where we're in a difference of policy. This is one where we're talking about there's actually a fundamental flaw in the premise of the resolution. So we can table it, we can have some more discussion, but as it stands right now it doesn't even rise to the threshold of a valid reso. The action that you're attempting to take off of the statutory authority can't get there from here. It's too much of a stretch.

D.P.O. SCHNEIDERMAN:

Can I suggest withdrawing the bill and maybe look at it for a difference source of funding the scholarship?

MR. VAUGHN:

We would certainly appreciate a tabling motion at this point in time, but I would reiterate that two

lawyers agreeing on something does not -- or disagreeing on something does not necessarily mean that a bill is fatally flawed. And I think that allowing perhaps the County Attorney's Office and the Counsel to the Legislature having an opportunity to have a greater conversation rather than just here at this moment in time, would certainly be not the worst thing in the world.

CHAIRMAN LINDSAY:

In the interest of time, why don't we -- we have a motion to table it. Let Mr. Vaughn come back and make an argument as to where he disagrees and we'll move forward.

MS. GELLERSTEIN:

Sorry. So I have a motion to table. Are you seconding her motion?

D.P.O. SCHNEIDERMAN:

Yes, that's fine.

CHAIRMAN LINDSAY:

Okay. So at this point we'll vote on it. All those in favor? This is the motion to table it. All those in favor? Against? And abstentions? I'm going to abstain from it, Lora. Motion passes. **(Vote: 4-0-1-1 Abstention: Legislator Lindsay; Not Present: Legislator McCaffrey; Presiding Officer Gregory is included in the vote)**

Okay. At this point if we can bring Mr. McGowan up again. I appreciate you sticking around. We apologize for things going a little long today. I guess we can start by saying congratulations on your recent announcement. We wish you the best in your retirement and we thank you for all the years you've served County, and we look forward to your presentation.

MR. McGOWAN:

Well, thank you. I would have to say it has been an extremely rewarding experience. Personally enjoyable, professionally rewarding, and looking forward to a different chapter. And I appreciate the opportunity, as always, to have this brief get together with the committee and members of the Legislature, really to recant how -- looking back how we did last year, but also looking ahead and what we expect in this year and really, I think, as it relates to Suffolk County, certainly Long Island's overall tourism economy.

It's really safe to say the 2013 year, 2013 was a year we have never seen before in almost all aspects of our tourism industry and tourism economy. Hotel and motel average occupancies were the best we have seen in over a decade, average room rates have never been better, and the overall economic impact information for the year, as you know, is produced by Tourism Economics for I Love New York that breaks it down by counties. And unfortunately, we won't be able to have the 2013 report until later next month, but I think it's really a safe bet that when we do receive it, we'll see the visitor expenditures in Suffolk County exceeded or came close to \$2.9 billion, which is about a 6 1/2% increase over 2012. At the same token I think that we'll also see local taxes generated off those expenditures exceeding \$195 million for 2013. So I think the overall reports certainly are going to be outstanding.

But all of that said, I think we also have to acknowledge that 2013 was a real anomaly. In 2009 when the bottom fell out of the global economy, Long Island's \$5.1 billion tourism economy dropped 16% to \$4.4 billion, a loss of \$770 million literally overnight. Major economists throughout our industry, who monitor the lodging aspects and travel and tourism, PKF, Price Waterhouse, Smith Travel Research, really all predicated back in 2009 that it probably wasn't going to be until about 2014 before we would see a return to pre-recession levels of business.

Well, we certainly did return to that level of business, but basically it took a hurricane to help us get there. And for that reason, the data collected in 2013, such as average occupancies and room rates

and revenue per available room, really wasn't terribly helpful to us in trying to project the potential impacts on our tourism economy for 2014.

But what we were able to glean was that the business activity we enjoyed during those months not affected by the post Sandy recovery efforts, such as the third and fourth quarters of 2013, those months were still pretty strong compared to the same periods prior to 2012. Average room rates in Suffolk County were the best we had ever seen despite the increase in room inventories during the past decade. So what Hurricane Sandy really did for Suffolk County and for Long Island as a whole, especially its lodging community, was allowed us to enter 2014 in the strongest position we've ever enjoyed. We had a foundation that combined decent demand with commensurate occupancies and rates.

In fact, when we look at the first quarter of this year, in 2014, and compare it to the same timeframe in 2012, we see an increase of 7.6% in Suffolk County's average room rates alone. And so far this year lodging tax collections during the first quarter are up some 18% over the first quarter of 2012. So for those reasons alone we're bullish on Suffolk County's tourism economy for this year and beyond, but there are plenty of other reasons to be optimistic, much of which has to do with consumer attitudes towards traveling and spending in the coming months.

The most recent surveys of American consumers finds that 64% are planning at least one leisure travel trip during 2014, and more than half of those plan to travel three to four times during the year, with one of those travels being an extended week or longer.

Tourism Economics, again, the company that does the impact studies for I Love New York, really has reported that consumers are shaking off the chains of the anxiety and stress they felt in the last six years. They have a new sense of optimism for their personal future, their kids future and for their own job security, all of which portends extremely well for our tourism economy and industry. And I believe strongly that Long Island, and especially Suffolk County, are in a very strong position to take advantage of the opportunities these changing attitudes provide.

Now, 2013 was a year of strong accolades for our tourism products, experiences and assets. You'll recall, and it was germane to the discussions earlier, that Wine Enthusiast Magazine named our North and South Forks as being in the top ten wine travel destinations in the world last year. And at the same time, for the second time in three years, another one of our beaches, this time Main Beach in East Hampton, was named the best beach in the nation by Dr. Stephen Leatherman. We obviously will leverage these accolades and all of our marketing programs throughout the year. One of those programs includes the publishing of a new travel guide, which we actually published last year in the late summer, the new Suffolk County Travel Guide. We will be using that as our primary call to action for all of our Suffolk County advertising.

And another program also includes driving traffic to the new Suffolk County Tourism website, which is DiscoverLongIsland.com/SuffolkCounty. This website will likewise be a strong part of our advertising call to action. Our current program of work and budget for Suffolk County in this year alone calls for the expenditure of some \$450,000 in consumer advertising and online consumer advertising throughout the year. The public relations and social media will again be major components of our marketing strategies. Last year our Public Relations Department assisted some 60 travel journalists that resulted in 66 stories being generated on Suffolk County's tourism, assets and experiences. And these stories reached a combined readership audience of some 32.6 million individuals.

In 2013, we continuously will be featuring Suffolk County specific products and experiences while engaging our 246,000 Facebook fans. Let me put that into context. New York City and Company, the CVB for Manhattan and the boroughs, has a Facebook fan base of 114,000. As I said earlier,

with all that we have going for us, and with the strong upturn in consumer attitudes, we fully expect 2014 to be one of the strongest years in a long time for our tourism industry and our tourism economy. And with that, I'd be happy to handle any or try to handle any questions you may have.

CHAIRMAN LINDSAY:

Legislator Kennedy.

LEG. KENNEDY:

Mokey, just thank you for everything that you have done. It's been a good run. You've been good for us. You took what I think was a somewhat shaky function when you first came to us. You smoothed some rough waters, you brought a lot of innovative ideas and good thinking to what goes on and you've been a real steady hand. Congratulations in whatever you're going to do, but we'll miss you. Thank you.

MR. McGOWAN:

Legislator Kennedy, thank you very much, but we have, I think, today a very strong functioning and focused organization and it is that, not just on any strengths I may have brought to the table. It was the willingness of this Legislative body, the Legislative body in Nassau County, a good quality Board of Directors, who saw a lot of the writing on the wall, if you will, and became much more engaged and focused and transparent. Together I think we have all worked to a stronger tourism economy.

CHAIRMAN LINDSAY:

Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Thank you, Mokey. Thank you for your work with LICVB and good luck with future endeavors. Those numbers, and I'm happy to hear that even after Hurricane Sandy, which we knew was a boost, unfortunately for those people who were victims, but certainly it filled up hotels as emergency housing and we also maybe as places like the Jersey Shore were recovering we may have seen some of their client base coming our way. The numbers that you're indicating, which you might expect to decline now after are not showing a decline. We're seeing actually, you know, peak performance of the tourism industry, even now that that is behind us. I guess a couple of questions that grow out of that. Are you seeing it both in the leisure market as well as the business travel market? Are cooperations now bringing back travel? I think they are.

MR. McGOWAN:

It's very slow. The corporate sector where there's corporate group meetings, conventions or business transient is sluggish nationwide. I just recently heard a figure of growth in 2014 of only 1.1% in the coming year. Leisure is king.

D.P.O. SCHNEIDERMAN:

Leisure we have had over -- we've seen a double digit growth, right?

MR. McGOWAN:

Yes.

D.P.O. SCHNEIDERMAN:

So you're -- the overall growth is larger, then, on the leisure side.

MR. McGOWAN:

Yes.

D.P.O. SCHNEIDERMAN:

Do we know, any of those reports show where those people are coming from?

MR. McGOWAN:

No, they really don't. The gauge that we typically look at is really where they are coming from going to our website, and we can break that down on a state and even in a DMA basis, and it is the traditional Tri-State area. Oddly enough, a tremendous amount of business picked up from Texas. We did see, anecdotally, an increase in folks from New Jersey who typically go to their shore and we don't see them. Which is, you know, we didn't really target the New Jersey market last year. We didn't really want to be looking like scavengers, if you will. We were very delighted to see the business that we got and we believe that that will actually build, because as they are exposed to what we have to offer, the repeat business certainly should be expected, if not at least the accolades.

D.P.O. SCHNEIDERMAN:

I know with LICVB you're charge through New York State and through the County is largely to promote Long Island, discover Long Island, and some of that language maybe statutorily makes it hard to promote the leisure market to Long Island, when I believe a lot of the people who are staying are actually coming from Long Island, including, you know, Brooklyn, Queens and other areas. But a lot are from Nassau, because, you know, if you have few days off you might not fly to Florida, but you might drive out to the Hamptons or something like that. You know, maybe as conversations begin about reauthorizing the hotel tax, maybe we could look at some of that language to make sure there's no restrictions on the tourism promotion agency, assuming it's LICVB or other, that would restrict the way it promotes these areas, so that we can actually maximize, you know, the bang for the buck by reaching those people who are more likely our customers.

MR. McGOWAN:

It is a balancing act, if you will. And one of the things, of course, that has always directed our efforts is trying to generate the incremental new business. There's no question that folks from Nassau County enjoy the leisure activities and recreational assets and experiences and the overnight experiences on the eastern end of Suffolk County and throughout the wine country etcetera. A good portion of those folks, though, are the day trip visitor who comes out and then goes home. Whether it's to play golf, and I play golf with the folks out in Nassau County all the time, or if it's just, you know, to come out to the vineyards or shop or sightsee or whatnot, enjoy the beaches, etcetera, they have been return, and the return on the investment on a day trip visitor is significantly less than obviously an overnight visitor.

So it's trying to attract -- we've tried to work with a number of our partners on the East End, from Riverhead to Montauk, recognizing, through our grants program, recognizing that a good portion of their business does come from Nassau County, Brooklyn, Queens. And originally that grant program was set up just to drive overnight visitation from off the Island and we recognize in discussions with them that, you know what, that's a significant part of the overall business. So whether you codify it through law or whatnot, I would continuously look for opportunities that make sense and will get the best possible return on the investment.

D.P.O. SCHNEIDERMAN:

Yeah. I mean, the day trippers are, I think particularly for the North Fork, are really important because those are the ones going to the wineries and the restaurants. Maybe not staying overnight, because they're originating from an hour away, but it's a -- you know, wine country is their country, too. It's beloved all throughout Suffolk County. They love coming out to the North Fork.

Let me ask you another question about the reauthorization of the hotel tax. The current hotel tax has a cap of two million dollars for LICVB, not specifically LICVB, but for the tourism promotion

agency. I believe it's 24% of the hotel tax collections up to two million. We have hit that cap, which means that there's no additional money going to LICVB.

MR. McGOWAN:

That's correct.

D.P.O. SCHNEIDERMAN:

Would you recommend getting rid of the cap in the next authorization?

MR. McGOWAN:

I would, because I think there is always opportunities to expand. And you know, removing the restriction on the cap may be an opportunity to utilize anything over a cap of two million dollars, be utilized for the generation of local tourism.

D.P.O. SCHNEIDERMAN:

One last question. You've been maintaining, I think, very successfully a matching grant program for tourism, leisure tourism promotion. I don't know what the percentage of your -- the LICVB's revenues are going toward this program, but it's very successful. Would you also characterize it that way and do you believe that's something that ought to continue?

MR. McGOWAN:

Yes, I do, because I think it's a great partnership between ourselves and those organizations that have a history of successful tourism marketing and sales. And quite honestly, it's not a competitive grant. It hasn't -- it wasn't set up along those lines. It was set up to really provide assistance to those organizations who do an excellent job of generating tourism. Overnight visitation, day trip visitation, generating expenditures and tax dollars, so that made sense.

D.P.O. SCHNEIDERMAN:

And when you say noncompetitive, so the allocations are based -- the amount of grant available is based on the percentage of hotel tax coming from each of those subregions; correct?

MR. McGOWAN:

Yeah. Essentially what we do is we set aside 10% of the dollars that we've received, previous year as we get to look back. So if we've received \$1.97 million then it would be on a \$97,000 as the fund. Then there's a formula as to how the distribution of that would work. It only is saying if -- it is a matching program, so that you have to have the funds to spend in order to be reimbursed, but they may be entitled to \$20,000, but they only have \$10,000 in which to match with. So, I mean, it is --

D.P.O. SCHNEIDERMAN:

It's one to one match, right?

MR. McGOWAN:

Yeah, yeah.

D.P.O. SCHNEIDERMAN:

Well, any other advice? I know you're leaving the organization, but moving forward?

MR. McGOWAN:

You know, it's -- we've had the discussion so many times with regards to the real needs, and we've had expansion in our room inventories over the past decade. And the only thing that's holding us back is a lack of a year round major product that allows us to continuously sell the Island year-round. And I'm really -- I think there's only probably two types of products that fall in that

vein, and that's either a convention center or some form of a casino resort.

You know, you could look at things like Nascar, that's great for three-quarters of the year, but there's a quarter of the year where it doesn't get you any benefit or value. Whereas a convention center both has a local -- provides a local opportunity for local trade shows, whether they're home boat shows, sport shows, things of that nature, but also to sell to the association market that needs a combination of hotel rooms, food and beverage, transportation and meeting space. And that's the only thing I think that's holding us back.

D.P.O. SCHNEIDERMAN:

Is that something the County should be looking at, exploring, you know, the economic impacts of a convention center, exposition center, where it might go and how -- what the multiplying effect of that would be on our economy?

MR. McGOWAN:

Yes. Most of the convention centers today are a combination of public/private sector partnerships. The thing about a convention center is it's not built to be a revenue generator on its own. It is off the retail rental revenue. It is an economic development stimulator. It is to attract groups that will use it, that will stay in hotels, use restaurants, shop, etcetera. And through those expenditures, provide the return on the investment. It's -- and, you know, most convention -- successful convention centers also have a sizable housing right next door to it. So dependent upon the size and the functionality and things of that nature, certainly it would also stimulate growth in hotel inventory that would compress outward.

D.P.O. SCHNEIDERMAN:

So the main component would be a large indoor building, right?

MR. McGOWAN:

Yes.

D.P.O. SCHNEIDERMAN:

A couple of acres of enclosed area, right?

MR. McGOWAN:

Yeah, probably a bit more than that because of the -- most of our traffic, even if we were able to attract regional, national associations, upwards of around 500, there's still going to be need for more space for move in, move out of exhibitions and things of that nature.

D.P.O. SCHNEIDERMAN:

I know I've been approved by numerous actually occasions by members of the equestrian community saying we have no indoor facility, everything is outside. In fact, early today we looked at a bond for one of the Counties outdoor equestrian facilities, but they go far away to do these horse shows and it's a billion dollar industry, and we have some of the top facilities in terms of the stables here. We have, of course, the Hampton Classic, which is, you know, a giant event, but there is no indoor ability. So in the wintertime we're missing out on what could be an enormous economic engine for Suffolk County.

MR. McGOWAN:

And you touch on a very strong point and that is the convention centers are not summer driven. They're really spring, fall, winter driven for the type of business that you can attract and therefore extending and expanding on the economy in a timeframe when we're all but dead.

CHAIRMAN LINDSAY:

Thank you very much, Moke. If you have anything else you want to add.

MR. McGOWAN:

I would like to say Jay and I have not always had the same -- shared the same thoughts as to marketing and sales and things of that nature, but I have always appreciated the willingness to dialogue and figure out a way to move forward, and Jay, that's been greatly appreciated over this past decade.

D.P.O. SCHNEIDERMAN:

Thank you, and I've always appreciated your professionalism and your dedication and your work on behalf of the tourism industry, so thank you.

CHAIRMAN LINDSAY:

Thanks, Moke. All the best.

MR. McGOWAN:

Thank you, Mr. Chairman.

CHAIRMAN LINDSAY:

That concludes our committee meeting for today, and I'm looking to adjourn. Thank you.

*(*The meeting was adjourned at 4:20 p.m. *)*