

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 December 10, 2014.

MEMBERS PRESENT:

Leg. William Lindsay III, Chairman
Leg. Steven H. Stern, Vice Chair
Leg. Kara Hahn
Leg. John M. Kennedy, Jr.
Leg. Kevin J. McCaffrey
Leg. Jay H. Schneiderman

ALSO IN ATTENDANCE:

Presiding Officer DuWayne Gregory
George M. Nolan, Counsel to the Legislature
Jason Richberg, Chief Deputy Clerk of the Legislature
Laura Halloran, Budget Review Office
Yan Baczkowski, President/LICVB
Sharon Wyman, LICVB
Eileen M. Kretz McCarthy, appointee/SC Citizens Advisory Board for the Arts
Brian Sapp, Aide to Leg. Lindsay
Debbie Harris, Aide to Leg. Stern
Alyssa Turano, Aide to Leg. Hahn
Jason Hann, Aide to Leg. Schneiderman
Tom Vaughn, County Executive's Office
Sarah Lansdale, Director/Planning
Kelly Morris, Suffolk County Landbank
And all other interested parties

MINUTES TAKEN BY:

Diana Flesher, Court Stenographer

THE MEETING WAS CALLED TO ORDER AT 2:05 PM

CHAIRPERSON LINDSAY:

Good afternoon. Welcome to the Economic Development Committee hearing. If we could all rise for the Pledge of Allegiance led by Legislator Hahn.

SALUTATION

We don't have any public comment cards. But anybody that's interested in speaking before the Committee, if you want to come forward. Seeing no one, we'll move onto the agenda.

LEG. KENNEDY:

Mr. Chair, personal request on the agenda, if I could, please. I know we have a presentation for the Committee today. And while I personally very much would like to hear from the LICVB, I have another commitment. So if the Committee is inclined, if we could vote the resos, then I'll be able to make my next appointment.

CHAIRPERSON LINDSAY:

I don't have any objections. Does anybody else? Seeing no objections --

LEG. KENNEDY:

Thank you very much.

TABLED RESOLUTIONS

CHAIRPERSON LINDSAY:

We'll go to Tabled Resolutions. We'll start with **Tabled Resolution 2069, To appoint Eileen M. Kretz McCarthy as a member of the Suffolk County Citizens Advisory Board for the Arts (PO Gregory)** Is Miss Kretz McCarthy in the audience?

MS. McCARTHY:

I'm here.

CHAIRPERSON CALARCO:

Would you come forward, please. Come to the center here, that's fine. Yes. Good afternoon. Thank you for coming here today. Thank you for being willing to serve on this board. If you could just start by just telling us a little bit about yourself and why you were interested in serving on this board? You just have to hit the button there for the microphone.

MS. McCARTHY:

Is that good? Okay. I've been a Village resident of Amityville all my life. And I am very interested in the Revitalization Program in Amityville. I started a program in 2008 with a group of people and I've been appointed by the recent Mayor Wandell to be on that committee. And one of my biggest objectives in that committee is to get Art Space that is in Patchogue in Amityville. I've been working very hard on that. I'm the co-presider of that committee.

I also was a founder of the Amityville Artist Circle Gallery in the Village and helped them -- I'm on their Board of Directors. Although it's a failing committee, we're trying to bring it back. And um -- a failing organization. We're trying to bring it back. And we're hoping Art Space and the arts -- the Revitalization Committee will bring back the arts in Amityville. And I could see there are opportunities from other areas in Suffolk County. And I would like to learn about those programs and eventually, you know, spread art everywhere in Suffolk County.

CHAIRPERSON LINDSAY:

Okay. Thank you. Any questions from anybody on the Committee? Okay, well, again, thank you for your willingness to serve. I'd like to make a motion to approve.

LEG. McCAFFREY:

Second.

CHAIRPERSON LINDSAY:

Second by Legislator McCaffrey. All those in favor? Against? Abstentions? The motion carries unanimously. Congratulations. **(VOTE: 6-0-0-0)** This will come before -- just to explain the procedures where it goes from here, it'll go before the full Legislature on Monday. You're not required to attend but you're more than welcome to be there. And once it goes before the Legislature, if you're approved, you'll be a member of the board. So thank you.

MS. McCARTHY:

Thank you very much.

INTRODUCTORY RESOLUTIONS

CHAIRPERSON LINDSAY:

Proceeding onto the **Introductory Resolutions, 2163, Amending Resolution No. 687-2014, authorizing a Lease Agreement with Sunedison, LLC for use of property at Francis S. Gabreski Airport. (Co. Exec.)** This is an amendment to the original agreement that we already completed because of a modification that was made by PSE&G. I'd like to make a motion to approve.

D.P.O. SCHNEIDERMAN:

Second.

CHAIRPERSON LINDSAY:

Second by Legislator Schneiderman.

LEG. KENNEDY:

Ah, Mr. Chair, could I just ask one quick question on this. I understand that we're recasting, I guess, the particulars associated with the project based on PSE&G moving away from or downsizing their commitment on the solar and other alternative energy parameters. My only question, I guess, would be to either Counsel and/or through the Chair to the County Executive's Office. Did SunEdison come to us through a -- an RFP, RFEI? How did we select them in the first instance?

MR. VAUGHN:

SunEdison did come to us through the RFP process. So -- and earlier today I did hear a -- did see the question posed, would we have selected SunEdison if we knew that the project was smaller initially? I think it's kind of tough to judge based on that, but I would say that whatever project that we would have selected would have also received this downgrade of approximately 41%. So I think it keeps the playing field relatively equal.

LEG. KENNEDY:

Well, I appreciate that perspective from the Administration. So that if I can just turn to Legislative Counsel, George, do you agree that there are no issues for us since terms and conditions have changed substantially? Are we still -- our selection process is intact and now we have this latitude after the fact to modify it substantially?

MR. NOLAN:

You know, I don't remember or know much about the original RFP process, but I would say that generally -- I mean if we had an open process, an RFP process, and we selected a vendor and then after the fact the -- some of the major components of the proposal changed, I think we would be within our rights to go forward with that same vendor. You know, the RFP process is a little --

LEG. KENNEDY:

Sure.

MR. NOLAN:

-- there's more flexibility to the County in it. And, you know, having selected a vendor through a competitive process -- or at least an open process, I think we could go ahead even though the -- some of the basic terms have changed.

LEG. KENNEDY:

Okay. That's fine. Thank you.

CHAIRPERSON LINDSAY:

Legislator Stern.

LEG. STERN:

Yeah. Tom, this is still on that portion of the property that can only be used for this purpose; correct? It's not like we could seek other proposals for other purposes? This is really what it's limited to?

MR. VAUGHN:

Correct. We still believe this is the only use of that property on that -- pardon me -- of that property at the Airport.

LEG. STERN:

Thank you.

CHAIRPERSON LINDSAY:

Tom, my question would be, you know, involving around the conversations that we had with PSE&G and the downsizing of this project, just following in the news and seeing some of the other proposed new building of power plants that's being spoken of, it just doesn't seem to follow any logic why they would downsize this project and then we see proposals for other projects like the Wind Farm out in -- off of the coast of Montauk, some new power plant upgrades and so forth, why would they choose to downsize this solar project? I'm not sure how much inside information you have on that from those discussions.

MR. VAUGHN:

I don't actually know why they chose to downsize the -- to downsize the size of the Feed-in Tariff II Program. I just know that there was a variety of -- there were a number of cuts made to the program across the board. One of the things that we mentioned in our e-mail to you last night was that the cuts kind of ranged from about 28% in size to 71%. Our 41% cut is pretty consistent within that. It's an average cut. We are obviously a little bit disappointed, I think, that we received this cut, but I still think that it's an opportunity to generate a source of revenue that would not be otherwise available to us and also put in some clean energy, which I think is positive.

CHAIRPERSON LINDSAY:

Absolutely. It's just discouraging because now does that change our philosophy going forward and looking at additional sites for possible lease to SunEdison or any other vendor who does the same

thing?

MR. VAUGHN:

I would say -- and I'm going to just lean over my shoulder and look at Economic Development real quick, but I think that we're still pretty committed to solar projects. And, yes, this is a little bit discouraging, but I don't think that it changes how we feel about solar energy.

CHAIRPERSON LINDSAY:

Okay. Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Tom, you know, I was familiar with the original project, but I -- you know, I forget -- I know we had looked at County assets of what might make sense for solar. This area of Gabreski Airport was identified as being suitable. And, you know, the project is being scaled back. It's largely because of something, I guess, LIPA, PSE&G -- what did they do? Did they change a Power Purchase Agreement? They only agreed to buy less power? Or were they contributing in terms of infrastructure costs and they pulled back? What actually changed here?

MR. VAUGHN:

I think, Legislator Schneiderman, what actually changed -- and if I'm wrong I'll ask Economic Development to correct me, but I think what actually changed was what is -- what the amount of power that they had agreed to purchase. And this was, as I said before, was an across-the-board. It was an across-the-board cut. So all of their -- all -- the size of all the Feed-in Tariff II projects got reduced. And as I said, some of them got reduced by as much as 71%. Others got reduced almost by as little as 28%. Ours -- the size of our project, they came back to us and said *we want -- we want it reduced by 41%*.

D.P.O. SCHNEIDERMAN:

So if the County wanted to consider expanding either with SunEdison or using some of the lands that they're no longer going to be using to do solar generation either on our own or having a private vendor where we lease the land, we could still do that. We could expand solar generation at Gabreski Airport. It's just the economics of it have changed a little bit because they're not getting the guarantee of purchase at a particular price. Right? That's what's changed. We could still move forward with other solar initiatives at Gabreski.

MR. VAUGHN:

I would say I think that what's important to keep in mind is that this -- what we're talking about in this resolution is very specific to the PSE&G Feed-in Tariff II Program. I think it would be remiss of me to start -- I don't want to agree with you and say that -- what you're saying, I think, certainly sounds logical. I don't think that our participation in this program is precluding our participation in doing anything else that we may see works for us from -- for a variety of reasons whether they be revenue-generating or other reasons.

D.P.O. SCHNEIDERMAN:

Even potentially using the power for running Gabreski Airport.

MR. VAUGHN:

Correct. Now at this point in time, and one of the reasons why we -- why we felt so strongly about doing -- participating in the Feed-in Tariff II Program and using SunEdison as a vendor, was that the economics didn't work for us at this point in time; and that this was a program that based on the Feed-in Tariff II really didn't -- was able to make sense for SunEdison, which is why went forward with SunEdison.

Now that being said, should times change, should technology change, should the cost come down, all these other things, the fact that we're not using all this land, it may at some point in time in the future be appropriate to take a second look. But at this point in time it did not make sense for us to build a project on that land. And that's why Feed-in Tariff II was such -- and this is program and proposal was such a positive thing.

D.P.O. SCHNEIDERMAN:

Right. But there's nothing, I don't think, that'll preclude us from taking some of these other areas that we've identified at Gabreski Airport as being suitable for solar generation and maybe entertaining proposals. There might be companies that, you know, even without this particular program from LIPA, PSE&G, might be interested in leasing land for solar generation.

MR. VAUGHN:

There very well may be.

D.P.O. SCHNEIDERMAN:

Yeah. And Carolyn isn't here, right?

MR. VAUGHN:

Oh, I'm sorry, no. Miss Fahey had a -- had car issues today and was unable to make today's meeting.

D.P.O. SCHNEIDERMAN:

Okay. All right. That's all the questions I have for now.

CHAIRPERSON LINDSAY:

Okay. We have a motion. Jason, we have a motion and a second?

MR. RICHBERG:

Yes, we do.

CHAIRPERSON LINDSAY:

Call the vote.

LEG. HAHN:

I need to recuse.

CHAIRPERSON LINDSAY:

All those in favor? Opposed? Abstentions? We have one recusal.

LEG. HAHN:

One recusal.

CHAIRPERSON LINDSAY:

Motion passes. **(VOTE: 5-0-0-0-1. LEG. HAHN RECUSES)**

We'll get back to the agenda now. Thanks, Tom. If we could ask Mr. Baczkowski to come up and make his presentation. Oh, excuse me, I'm sorry, Mr. Baczkowski, please have a seat. But before before we go onto that, Tom, if -- I know you have a CN that you're going to bring to the floor on Monday that you might want to talk about briefly.

MR. VAUGHN:

Yes, sir. Thank you very much. We need to add a member to the Suffolk County Landbank. We do

need to bring that forward with a CN. We are going to be appointing Miss Kelly Morris to take that spot -- to take one of our spots on the Landbank. I do have Sarah Lansdale and Miss Morris here. Miss Morris will obviously be at the General Meeting on Monday so that way she can be appointed and the full body can ask her any questions. But we thought that since this is the EPA Committee and Miss Morris does work for the Office of -- I'm sorry -- since this is the Economic Development Committee and Miss Morris does work for Economic Development, that it makes sense to have her here.

DIRECTOR LANSDALE:

Good afternoon. Thank you for this opportunity to address members of the Economic Development Committee. So I just wanted to provide a brief background on the Certificate of Necessity that we'll be presenting at the December 15th Legislative meeting.

There was a vacancy created by the departure of Andrea Lohneiss on our Suffolk County Landbank Board. And quorum -- the bylaws of the Suffolk County Landbank Corporation that were adopted by the Suffolk County Legislature require a quorum of two-thirds of the majority of the seven members. So most recently we've had an issue with achieving our quorum. So what we'd like to do is propose to fill the vacancy. Andrea Lohneiss' term ends on May 29th of 2015. So it's just a few months into next year. And we're proposing to fill that position by Kelly Morris, who is an excellent member of our Department of Economic Development and Planning, who is moving over to our Suffolk County Industrial Development Agency. Her resume speaks for itself, but has -- she has a tremendous expertise in Brownsfields redevelopment through her experience on the Glen Cove IDA. Kelly's with us here --

CHAIRPERSON LINDSAY:

Okay.

DIRECTOR LANSDALE:

-- if you have any specific questions for her.

CHAIRPERSON LINDSAY:

Thank you.

DIRECTOR LANSDALE:

Thank you.

MS. MORRIS:

Good afternoon.

CHAIRPERSON LINDSAY:

Good afternoon, Kelly. Congratulations. And I'll turn it over to the Committee first to see if anybody has any questions for you. Not seeing any, we'll let you off the hook.

D.P.O. SCHNEIDERMAN:

No question, but in a sentence or two why you'd be interested in serving on, you know, the Landbank Committee, that might be helpful.

MS. MORRIS:

Sure. I've been working in the role as Acting Executive Director for the Landbank for the last three months after Tom Kelly had left. And I've gotten very involved in a short period of time. My environmental background, as Sarah points out, really lends itself to furthering the mission of the Landbank and my relationships with DEC and EPA. And I feel that the work that we're being -- proposing to do is critically important and is really unique in its way and I'd like to be a part of that,

help advance that mission.

CHAIRPERSON LINDSAY:

Great. Thank you very much. I appreciate you coming today.

MS. MORRIS:

Thank you.

CHAIRPERSON LINDSAY:

Thanks. Thank you, Miss Morris. Okay.

Sorry, Mr. Baczkowski, if you wouldn't mind coming forward now and making your presentation. I apologize for the delay there. Welcome. Congratulations on your new position.

MR. BACZKOWSKI:

Good afternoon. It's truly a pleasure being here and having an opportunity to share with you what has been accomplished this past year and looking ahead to what we'll be able to accomplish together in the future.

When I began this journey back in September, I had the fortune of working with my predecessor, Moke McGowan, whose leadership for over a decade, brought stability to this great organization. It's an honor to have been chosen to captain this ship. And with the fine crew that I have inherited and with your support, I know we will be able to engage full speed ahead through the rough chop and placid waters that surround our beautiful Island.

One of our primary missions is to provide you, our elected officials, with the elements necessary to make informed decisions. In addition to the traditional statistics that you have been provided in the past, we look forward to providing you additional insight that paints a clear picture of the work that we have accomplished. In conjunction with New York State and New York City, we're developing plans to provide more detailed information such as "visitors spend by source market", "communication reach", and "publicity value."

Statewide occupancy is up 1.1%. For Long Island, however, while our year-to-date occupancy has slipped about 3.0%, this has been primarily in lower-demand periods and is essentially reflective of the end of the Sandy effect. In the high-demand periods like May, July and August, we've seen robust increases. As a sign of confidence and a rise in demand, our hotel years in Suffolk County have been able to steadfastly raise their prices and we have reached a record average daily rates of \$135.42.

One of our most important and ever growing roles is to bring groups to Long Island. We are very pleased that year-to-date we have surpassed our entire 2013 regeneration for a total so far of 307 leads worth over \$30 million. Out of those 307 leads, 230 went to Suffolk County. Out of 41,291 total room nights, 35,415 went to Suffolk. Out of the 30 million, \$260,280 of total economic impact, \$23,158,698 went to Suffolk. In other words, 76% of our regional sales efforts go to Suffolk County. Once again, 76% of the Long Island Convention and Visitor's Bureau and Sports Commission regional sales efforts naturally, organically and up to the benefit of Suffolk County.

CHAIRPERSON LINDSAY:

Mr. Baczkowski, if I could stop you there for a second and ask you a question.

MR. BACZKOWSKI:

Yes.

CHAIRPERSON LINDSAY:

What would you define as a sales lead? Is that, you know, something that was generated by the Convention Visitor's Bureau where you brought -- actually brought the business here? Or is it just total stays that happen to come here?

MR. BACZKOWSKI:

That is business that is generated by the sales team of the Long Island Convention Visitors Bureau. So that can happen either at a convention that we go to; that can happen either through our ongoing sales efforts; that can happen through sales calls. It can happen through one of a variety of sales endeavors that is undertaken by a member of the sales team.

CHAIRPERSON LINDSAY:

So as part of your marketing efforts, you're marketing the region.

MR. BACZKOWSKI:

Absolutely.

CHAIRPERSON LINDSAY:

And then how do you track that? How do you know that that --

MR. BACZKOWSKI:

We have a tool that's called D3000, which we're going to be transitioning to another tool next year called A Simple View, but it's an online customer relation marketing tool that is designed for the traveling tourism industry and that allows us to track all of our leads and so we know -- and distribute those leads to our partners.

CHAIRPERSON LINDSAY:

Okay. Legislator Stern.

LEG. STERN:

Our sales leads that are generated by outreach efforts on the part of your sales professionals, does that also include online inquiries that sales people aren't necessarily making the outreach efforts to, but those that are looking on the web for information about Long Island, come across the website, do they make inquiries through the website and do those count as sales leads?

MR. BACZKOWSKI:

99.9% of the leads of these big tickets leads are ones that we have generated. We're going to talk a little bit later about a new branch, which is weddings, destination weddings, that -- where we're getting organic leads that are spontaneous leads that are coming from web. But we're going to talk about a little bit -- in more detail about that later.

CHAIRPERSON LINDSAY:

Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Nice to meet you. Is it Yan?

MR. BACZKOWSKI:

Yan, yes.

D.P.O. SCHNEIDERMAN:

You said a moment ago that 75, 76% of this economic activity that you guys are involved with is ending up in Suffolk County versus Nassau County. Because you guys are an organization for

Nassau and Suffolk. But also your -- your funding is also, I believe, it's about three quarters Suffolk, roughly, I think it's -- what is Nassau contributing now? About 700?

MR. BACZKOWSKI:

Two thirds/one third.

D.P.O. SCHNEIDERMAN:

All right. So it's two thirds from Suffolk and one third from Nassau?

MR. BACZKOWSKI:

Correct.

D.P.O. SCHNEIDERMAN:

Okay.

MR. BACZKOWSKI:

Total budget.

D.P.O. SCHNEIDERMAN:

Of the total budget. What is Nassau's contribution right now?

MR. BACZKOWSKI:

Nassau's contribution is one million and Suffolk's is two million. This is the total budget.

D.P.O. SCHNEIDERMAN:

Okay. So Nassau's gone up a bit. And their money goes in -- there's still the Suffolk Only fund, right?

MR. BACZKOWSKI:

Sorry?

D.P.O. SCHNEIDERMAN:

There's still -- we match Nassau's million, right? And then the remaining million that Suffolk provides goes towards the Suffolk Only Fund.

MR. BACZKOWSKI:

That's correct.

D.P.O. SCHNEIDERMAN:

Okay. There is no Nassau Only fund?

MR. BACZKOWSKI:

That's correct.

D.P.O. SCHNEIDERMAN:

It's just -- it's just all Long Island and then the Suffolk Only piece.

MR. BACZKOWSKI:

Correct.

D.P.O. SCHNEIDERMAN:

In terms of these leads, when you get leads for weddings or for conventions, things like that, so what is your process by letting -- not your membership because you guys don't have members

anymore so -- but how do you -- how do you let the greater tourism community, how do they become aware of what those leads are? Because this is a question I've had in the past where it used to be that there was kind of a hierarchy of notice; some people found out first, then other businesses found out second.

MR. BACZKOWSKI:

There is no hierarchy of notice and there will never be. And just so that we are clear, we still do have members; not in the -- not in the accommodation world. And it's my understanding that there was a process by which that was all straightened out and for historical reasons --

D.P.O. SCHNEIDERMAN:

Right.

MR. BACZKOWSKI:

-- that you just mentioned. And there never will be. The -- by definition, a destination management organization or a tourism promotion agency cannot have favorites. We will never have favorites. Okay. We're here to provide for what is in the best interest of the client, of the market. Okay? And to work with our partners in a fair and --

D.P.O. SCHNEIDERMAN:

Right. And the client in this case is every bed and breakfast, every hotel, every one who --

MR. BACZKOWSKI:

Exactly.

D.P.O. SCHNEIDERMAN:

-- collects hotel taxes.

MR. BACZKOWSKI:

Exactly. So as far as our leads, they go out to everyone, everyone who is concerned by the request. And that -- and, you know --

D.P.O. SCHNEIDERMAN:

Now do you do that by putting it up on the web or is there an e-mail chain?

MR. BACZKOWSKI:

It goes out through Cvents so our -- you know -- sorry, through D3000. And all of the -- all of the partners get the leads. So -- and I'd be more than happy to go into more detail --

D.P.O. SCHNEIDERMAN:

Sure, you don't have to do it now.

MR. BACZKOWSKI:

-- exactly how it works.

D.P.O. SCHNEIDERMAN:

But as long as -- you know, in the past you had -- you know, first it sent to Executive Board and then to the board. And before it went -- now it goes to everybody.

MR. BACZKOWSKI:

Now it goes to everyone.

D.P.O. SCHNEIDERMAN:

Okay, okay.

MR. BACZKOWSKI:

And we -- we make no -- you know, no -- there's no discrimination by -- by geography, by size. Once it is -- and they are qualified so, you know, by -- once the parameters are put in, the --

D.P.O. SCHNEIDERMAN:

That sounds great. It's a level playing field.

MR. BACZKOWSKI:

So there's only X number of properties or locations that can accommodate this type of event. And it goes to those properties.

D.P.O. SCHNEIDERMAN:

Good. I'm happy to hear that.

MR. BACZKOWSKI:

Okay.

CHAIRPERSON LINDSAY:

Please continue.

MR. BACZKOWSKI:

As we go forward, we hope you will support our efforts to expand our resources to capture this lucrative segment of business for all of Long Island, but with a particular growth potential especially in the sojourn season for Suffolk County.

Innocuous and sometimes comical titles such as the Dr. Who Convention, this 2015 addition is already sold out. And this 2014 addition we're at 2500 participants from faraway as Australia, New Zealand, the UK and 45 out of the 50 states. Even journalists from the BBC were present. This quaint event with people dressed up in costumes brought over \$350,000 in direct spending.

We've been active in delving into the SMIRF, Social/Military/Educational/Religious/Fraternal segment and believe that we will be closing in on some lucrative business before year's end. As with most groups, they are looking for more than just hotel space. They are looking for an experience. And we have found that Suffolk, long seen as more a leisure destination, is rising in notes in its own respect as a business and group destination as well.

One of the areas that we are seeing with the largest area of growth is sports. And while many of these events are not media bonanzas, they do not bring -- they bring significant economic impact to the County and in many cases are multiyear events.

Others like Tough Mudder are media-rich events with an international following. And we must do everything we can to ensure that we are on the forefront of bringing these economically impactful events to Suffolk.

During the postrecession years, we've seen a robust resurgence in demand for leisure groups and bus tours, especially from the international market. Ninety-five percent of all bus tours that we provide assistance to are for Suffolk County. While we are reliant on other organizations such as I love New York for most of our familiarization tours, we ensure that those that we do get do stay here in Suffolk County. And I had the pleasure of participating in October on a fam trip with German tour operators that were brought here by our New York State representatives in Frankfurt. They've

never been here before. And thanks to their experience, many of them will be looking to program our destination in the future.

We work hard with our partners to identify their needs. Overtime many of them will become familiar with some of our better known assets. But in a world where competition is becoming evermore fierce and new markets are opening up to us, we have a great deal of work ahead of us to position our destination in a meaningful way as part of a long-term strategy.

Another new segment that we have been actively pursuing are destination weddings. So that we're clear, the LICVB is not a wedding-planning organization, nor are we going after Long Island brides that are too lazy to do their own wedding research. These are destination weddings; people that do not live here, but either have familial or sentimental ties to the Island. Most are looking for a unique concept to outdo their cousin, sister or best friend. With an average budget of \$60,000, not including room and food and beverage spending by out-of-town guests, you can appreciate why we believe this is a growing niche worthy of our attention. Through some strategically-planned marketing endeavors, we've gone from a couple of leads per month to an average of six leads per week. Stakeholders from all over the County have been extremely appreciative of this unexpected influx of new leads and are looking forward to its continued expansion. While we have no delusions of grandeur, there have been an uptick of interest from the international market as well. Again, it's not hard to fathom that those with means from across the pond are also looking for bragging rights to be the first in their circle of friends to have done something completely different.

Our Suffolk centered marketing efforts have certainly shown a strong return on investment and we're looking forward to developing even stronger returns with better targeted programs in the future. One area that merits a much larger exploitation is the film and TV industry. The reverberations of hit TV movies and TV shows like *Revenge*, *Turn* and recently Showtime's newest hit series *The Affair*, these TV shows not only create a demand by viewers to travel to the destinations where a TV show is filmed, but also an opportunity for us to use our vast network of social followers and piggyback on trending topics to promote travel to our destination during air times.

Our press efforts will continue to strengthen. So far we have arranged nine press visits including international writers from *Volkscrant*, the leading Dutch newspaper, *British Airways Magazine* and the *Daily Telegraph*. We also work with *I Love New York* on several press visits and made fam tours and attended two New York City media market places where we made one-on-one pitches and connected with quality media.

One important barometer that we will be adding to our benchmarking vocabulary in the future is the reach that we have with our media. And this is -- this past year we have reached over 145 million people through our media efforts. And this is free media. This is not paid advertisement. This is a direct result of years of professional relationships that we have developed with our media partners. And this obviously will continue in the future.

We are very proud of the work we have accomplished so far with MacArthur Airport. And we look forward to opportunities to take this relationship to the next level. As many of you already know, ISP has been designated a New York Regional Airport and has applied for a grant from the State to create a Federal Inspection Station. Our ability to develop this Airport, especially as a new gateway for select transatlantic destinations, will be a game changer for tourism for Suffolk County.

The LICVB continues to partner with its regional stakeholders to promote events as a way to drive business in lower-demand periods. Going forward we will seek additional opportunities to leverage resources against these key opportunities.

{ *Presiding Officer Gregory entered the auditorium* }

12/19/2014 Economic Development Committee

One of the things we did in -- to increase travel guide requests was a yearend analysis of all 2013 media buys. We pinpointed the ad placements most likely to reach our target audience in 2014. And we rescheduled placements accordingly. We did an expanded program through E-miles, Hirsch Publications, Woman's Day, Good Housekeeping, America's Best Vacations. We also participate in special promotions through Oprah Magazine, did a gas card give-away, Triple A card and travel.

The Suffolk year-to-date advertising schedule generated 23,229 requests for the Suffolk Traffic -- for the Suffolk Travel Guide in January through November of 2014 with an additional 2870 requests coming from the Suffolk County Tourism Website.

As our industry's constantly evolving, so are the needs of our customers. And we look forward to working with all the stakeholders throughout the County in developing the most appropriate and most effective tools in attracting visitors to our destination.

The Suffolk County Epicurean Website was launched in September 2013. Epicurean advertising is placed online and in our local food movement publications including Edible Manhattan, Food Traveler, Taste and Tasting Table. The Epicurean Website was launched in September 2013 and highlights the unique farm-to-table assets of Suffolk County. The website offers fruity getaways and events, local farmer markets, listings of pick-your-own farms, famous local chef recipes and an interactive map to locate wineries, farm stands, fishing marinas and much more. The Suffolk website has performed admirably in its first year of existence. And it was launched in September of 2013 and contains all the categories and information found on the main Long Island Tourism Website, but only includes Suffolk County product. The site also includes Suffolk County getaway packages, coupons to Suffolk County attractions, Suffolk County events calendar and an interactive map to locate lodging, attractions and other events of Suffolk County.

As some of you know, I have had the privilege of serving in this industry for over 20 years. I've worked for organizations both large and small, but I started off working in visitor information. And I attribute my professional success to these humble beginnings. As I have always operated under the premise that no matter the size of the organization, the budget, the structure, the most important element was the quality and accuracy of information that we give to the public. At the LICVB we have a robust team with a combined experience of over a century of tourism knowledge that handles ten of thousands of requested information per year. And while the nature of some of the requests may have changed and generally speaking we do get less requests for paper, and we do need to evolve our ability to respond in real time on social media, paper is still vital to our promotion efforts.

In Suffolk County we have two visitor centers that we maintain. One is unmanned and located at Tanger in Riverhead. And the other is staffed and located in MacArthur Airport. Travel and trade shows remain a vital and cost-effective opportunity for us to promote our destination. And I know that while many of you are quite busy, I also know that -- I, as well as our staff, would appreciate an opportunity to welcome you into our offices and have you see firsthand our -- a little bit of our day-to-day operations.

Now that I've spoken a little bit about what's happening on Long Island and in Suffolk, I'd like to take a moment and speak to you about the bigger picture in the global context. While the media loves to get us excited about pandemics, crises and how miserable we all are, the truth of the matter is our industry is doing rather quite well. The traveling tourism industry is an amalgam of businesses and activities including transportation, lodging, entertainment, meals and retail trade. Collectively this mature sector of the US economy accounts for 2.8% of the US gross domestic product and directly employs 5.7 million Americans. An ever-increasing number of destinations worldwide have opened up and invested in tourism, turning tourism into a key driver of socioeconomic process through export revenues, the creation of jobs and enterprises and infrastructure development.

Over the past six decades, tourism has experienced continued expansion and diversification becoming one of the largest and fastest-growing sectors of the economy worldwide. Between 2010 and 2030, arrivals in emerging destinations are expected to increase at twice the rate of those in advanced economies. International tourists arrivals grew by 5% worldwide in 2013 reaching a record one billion eighty-seven million arrivals. China has consolidated its position as a number one tourism source market in the world, spending \$129 billion on international tourism. President Obama's announcement of a relaxation of visa requirements and New York State's tourism Department's opening of three tourism promotion bureaus in China will be a game changer for us here on Long Island.

Forecasts prepared by the United Nations World Tourism Organization in January 2014 point to a growth of four to four-and-a-half percent in international tourist arrivals in 2014. Our social media -- our tourism social media reached a milestone this year. The Facebook page reached a quarter of a million likes and social media continues to be one of the top five drivers of traffic to our website. And just for comparison sake, a quarter of a million Facebook friends on Facebook is equivalent to roughly half the population of Wyoming.

Our second annual photo -- Snap and Win Photo Contest, which we promoted on Facebook, netted 1,200 high quality photo entries which we'll use in our official Long Island travel guide and our Suffolk guide Pinterest and other marketing materials. We've also launched our Long Island Travel Blog this year, which allows us to essentially edit and run our own Long Island Travel Magazine.

I'd like to take a moment and highlight one of the areas that we'll be working on in the future. Adventure travel and tourism worldwide after the cruise industry is the fastest growing segment. It encompasses everything from biking, hiking, rafting, climbing, horseback riding and the list goes on. Many often mistake adventure travel with the notion of safaris through the deserts of Africa and treks through the jungles of Burma or climbing Mount Everest. But adventure travel is so much more. And Suffolk County is blessed with the natural attributes to get a share of the 250 billion-dollar-a-year adventure travel pie. Adventure travelers have a longer than average stay of 8.8 days. And because there's so many variations, tour operators have a wide variety of itineraries and are hungry for new products. 71% come from our source markets of North America and Europe. In contrary to what many people think, adventure travelers are not a young 20-something male demographic but rather -- almost three quarters are over the age of 40 and 20% are over the age of 60.

And this is a picture of a cloud that represents the interest of survey respondents. And as you can see, most of the activities with only a handful of exceptions can be and are actually practiced right here in Suffolk County. As Legislators, I know you're constantly bombarded with information and requests for attention for important matters. And tourism may not always seem important or pressing. Each overseas traveler spends approximately \$4,455 when they visit the US. Direct spending by residents and international travelers in the US average \$2.3 billion a day, \$97.7 million an hour, \$1.6 million a minute and \$27,125 a second. Right here in Suffolk County tourists spend \$9,221,917 a day; 384,246 thousand (sic) dollars per hour; \$6,403 per minute; and \$106 per second. In the time that I have spoken, our tourism economy has generated about \$159,720. So hopefully you will find that this was time well spent literally.

Thank you very much for your attention.

CHAIRPERSON LINDSAY:

Thank you, Yan. We got a couple questions for you. We'll start with Legislator Hahn.

LEG. HAHN:

Having just left the Parks Committee before we came here, I was really excited for you to talk about

the adventurer travel piece to this and recognizing how important our parks, our natural resources are to our tourism industry. Did I miss -- and I'm sorry if I did, if I turned away for a moment, did I miss any kind of description of park resources that we have here in Suffolk County that you have part of those websites and brochures and things?

MR. BACZKOWSKI:

They are definitely included. They're one of the main aspects. And I did not go into it, but -- into very much detail, but there is a major push that I'm actually in the process of incorporating. The whole Peconic Bay region is --

LEG. HAHN:

And I asked for a number of reasons. A, I have a bill that I'm about to lay on the table that I'd love to talk to you about that I don't want to discuss here and give anything away, but I would love to sit down with you especially; but also if there's any kind of cross discussions that we should be having with our Parks Department, things -- like I noticed -- do you mind flipping back to that page where you had -- I want to call it -- no, no, no, no, back. You passed it. The one with all the words that -- what is the called, an image map?

MR. BACZKOWSKI:

The cloud.

LEG. HAHN:

Yes. Okay. So things like kayaking, biking, cycling, rafting, those are -- the bigger the word, the more that people are -- right, that's what this image signifies. So the larger the word, the more people are looking for it in this industry.

MR. BACZKOWSKI:

Absolutely.

LEG. HAHN:

So I wonder if there's discussions between your research and what you're finding out about tourists that are looking to come here and what we are offering in our parks. So, for example, you know, how many opportunities do we have in our County parks where kayaking is offered? And should we be making that more available at certain locations where more people are staying that are looking for these kinds of adventure activities? Like, is there a way to drill down, you know, to help us attract more of these -- these kinds of tourists? You know, do we have enough of the rentals of bicycles? Do we have enough of kayak rentals to handle -- you know, like to attract -- and rafting and etcetera, so?

MR. BACZKOWSKI;

Legislator, the short answer is no, but it's always a chicken and an egg scenario. So what I will propose is that we definitely sit down and work together. We will be putting in place tools that will help the parks in the future. And those that do have assets be able to commercialize them and be able to more -- make whatever they do have more readily available. And we will soon see -- when I say soon, in a year or two, very quickly, whether the supply is sufficient for the demand.

LEG. HAHN:

Good, good. And things like standup paddle boarding is becoming a huge new -- well, I don't want to say new, I don't know how -- what new is, but it seems like relatively new adventure-type activity that would be very easy for us to add into our parks and make it available, have races, have -- you know, have things like attract folks -- from other areas and could really be part of our -- what we offer.

MR. BACZKOWSKI:

Absolutely. And one other element I also wanted to add is that, you know, when I spoke about some of the sporting events, that is one of the things that we are actively engaged with, with the Parks Department, is utilizing the assets that we do have. We spoke about some of the events. And we're working with the Parks Department to try to organize them in our park so we are very, very involved with that.

LEG. HAHN:

Excellent, excellent. I'd love to sit down and have a discussion of that nature because I do think -- I do think we're not fully taking advantage from the -- what can we offer in some of our parks to -- because it's not only about the daily fee that you get for the bike rental, you know, or for the standup paddle board rental. It's about all the fees for the people who may come as tourists wanting to do those kinds of activities, knowing that there are a lot of that opportunity here. They come and they stay in hotels and they do, you know, X, Y and Z if they're coming for a standup paddle board race day, you know. So there really are -- there really are -- it goes way beyond the revenue you might generate just from a rental of some of these equipments, etcetera.

MR. BACZKOWSKI:

It's definitely about packaging.

LEG. HAHN:

Right.

CHAIRPERSON LINDSAY:

Presiding Officer Gregory.

P.O. GREGORY:

How are you? Thank you for your presentation and I apologize that I've missed some of it. Is there -- what can we do, I guess, my question will be. What can we do to expand opportunities for the West End of Suffolk? I know there's a lot of focus on the East End and, you know, the Forks, but, you know, what do you see as potential opportunities expand, you know, advertising or driving traffic to the West End of Suffolk County?

MR. BACZKOWSKI:

Well, I think that right now one of the things that we need to look at is really marketing. I think we need to work on the infrastructure that we have and better positioning the assets. So in terms of the inhouse work that we are doing, we are working on a new website. We're going to be working on delivering that information better. We're working on creating more video assets, more -- so we're working ourselves on positioning everything that we have in a more fluid fashion.

Obviously -- I mean, we can have a great conversation on, you know, convention centers and more hotel rooms and -- we can have a great discussion on things like that, but I would definitely welcome, you know, an opportunity to speak with you and hear what some of the -- you know, the concerns of your constituents would be and get into more detail about, you know, some specifics.

One of the things that I've been doing is meeting with the chambers on an individual basis and listening to them. And I've gotten a lot of positive feedback from them. We had -- in October we had a meeting. We brought the local chambers together. And all those that had a tourism -- all the smaller tourism promotion entities together, to have a brainstorming session on how we could work better together and pull our resources together. So we're looking at different ways to work together.

P.O. GREGORY:

Well, thank you.

CHAIRPERSON LINDSAY:

Legislator Schneiderman.

D.P.O. SCHNEIDERMAN:

Thank you. I have a few questions, but actually this is really my first time meeting you. So maybe -- how long have you been with LICVB?

MR. BACZKOWSKI:

December 2nd.

D.P.O. SCHNEIDERMAN:

Okay. Just a few months, then. Just a quick background before you came to LICVB?

MR. BACZKOWSKI:

I'm originally from New York. I was born in Upstate, New York; lived a couple of toddler years in Great Neck. I grew up in Queens; went to school in Michigan; graduated; lived in Brooklyn; worked in New York City. I was -- worked for the French Government Tourist Office for 12 years; was a Director there; got married; moved to France; opened up the Paris Aquarium. Then I went out and I became a -- I was the Director for a beach resort in the southern part of Brittany, a town called Laboule. And I tell people that Laboule is to Paris what the Hamptons is to New York City. And so I was there for four years. Then I became Director for a ski resort in Switzerland; was there for three -- about three-and-a-half years; went out to Colorado for a year. And here I am pretty much back home, so.

D.P.O. SCHNEIDERMAN:

Good to have you.

MR. BACZKOWSKI:

Thank you.

D.P.O. SCHNEIDERMAN:

It's a great background. Obviously you've learned that Suffolk County is somewhat divided in terms of the business travel versus leisure travel. And, you know, the business travel part hasn't recovered the way leisure travel has. And it's hard sometimes to stimulate it because a lot of it has to do with whether corporations are paying for these types of travel; or whether they're doing teleconferencing and things like that. So we certainly have a lot of -- large corporate sector. And, you know, it may be, you know, you mentioned conventions or sports facilities and things like that could possibly drive more business in Western Suffolk.

The leisure market out on the -- in the East End has been pretty strong as you showed the numbers. Although we might not have skiing, we have surfing and fishing and a lot of various activities that are -- are making our region very popular.

The Chambers of Commerce, as you know, I know you've worked with Montauk Chamber of Commerce and others, have a tremendous amount of experience in promoting those -- we'll call subregions of Suffolk County. And a fund was established. I just want to make sure it's still there, which was -- because you didn't mention it in your presentation, that made some matching grants available for local promotion. Is that still up and running?

MR. BACZKOWSKI:

Of course it is. I took this opportunity to share with you what I thought was new information --

D.P.O. SCHNEIDERMAN:

Okay.

MR. BACZKOWSKI:

-- a different outlook. But, of course, it is -- it is --

D.P.O. SCHNEIDERMAN:

And I think that's really been a very successful program that has not only brought in local knowledge, but it literally has doubled. These are 50% matches. So whatever money we make available to the chambers for local promotion, they have to match dollar for dollar. So I'm glad to hear that.

Staffing-wise, LICVB hasn't seen their budget increase. Well, your staffing levels, where are they right now?

MR. BACZKOWSKI:

They haven't really changed very much.

D.P.O. SCHNEIDERMAN:

And how many full-time people?

MR. BACZKOWSKI:

We are at 13 right now; 13 out of 14 positions.

D.P.O. SCHNEIDERMAN:

And you have some part-time, too?

MR. BACZKOWSKI:

We have part-time at the -- at the Information Centers; at the Airport and in Valley Stream.

D.P.O. SCHNEIDERMAN:

Do you know as a percentage of your overall budget how much is going toward administrative, particularly salary and benefits?

MR. BACZKOWSKI:

Thirty-eight percent.

D.P.O. SCHNEIDERMAN:

Thirty-eight percent of the overall -- okay.

MR. BACZKOWSKI:

Yes.

D.P.O. SCHNEIDERMAN:

The Hotel Tax, for the most part, is what funds LICVB.

MR. BACZKOWSKI:

Yes.

D.P.O. SCHNEIDERMAN:

And the Hotel Tax expires at the end of 2015 unless it's reauthorized.

MR. BACZKOWSKI:

U-huh.

D.P.O. SCHNEIDERMAN:

And actually within that Hotel Tax is a limitation, not on -- it doesn't specifically say LICVB gets a portion of the Hotel Tax, but it does currently require us to contract out for tourism promotion. And it sets a cap at 24% or \$2 million, whichever is higher. And right now -- whichever is lower, actually. And right now \$2 million is the max. So that's why you haven't seen any increases because you've hit that \$2 million. What is the status of the Hotel Tax reauthorization?

MR. BACZKOWSKI:

Well, as you know, I've just started. So it's -- I am looking -- I've been discussing with a number of people. It's a little difficult position as the new guy to come in and say I would like more money.

D.P.O. SCHNEIDERMAN:

Right. Do we know the -- there is an assembly bill yet or no?

MR. BACZKOWSKI:

To the best of my knowledge right now I am unaware of anything specific.

D.P.O. SCHNEIDERMAN:

Okay. I'm sorry, Legislator Hahn, they're not in session yet. My understanding is that they were looking toward early implementation; some kind of early -- Legislator Englebright carried the bill last time. So, okay. Well, I mean it's obviously important to your organization.

MR. BACZKOWSKI:

Absolutely.

D.P.O. SCHNEIDERMAN:

Important to the County if there is no renewal of that Hotel Tax --

MR. BACZKOWSKI:

Right.

D.P.O. SCHNEIDERMAN:

-- there is no --

MR. BACZKOWSKI:

Right.

D.P.O. SCHNEIDERMAN:

Your main component of funding disappears, too, so.

MR. BACZKOWSKI:

Right.

D.P.O. SCHNEIDERMAN:

Okay. So it's just something I think you need to keep your eyes on, that process. And there might be some changes in that authorization.

The other thing -- another thing just maybe to keep your eyes on sometime in 2015 or early 2016

somewhere, I believe, in Medford OTB is going to open a video lottery terminal casino; whether it's going to be a driver for tourism, I don't know; whether it's just going to be Suffolk County residents going there, but similar to Resort World Casino that advertises quite a bit on television. The County is going to have its own facility run through Off Track Betting. And I don't know that there is any kind of hotels in the vicinity of that facility, whether it's something that people are going to come to our region to involve themselves in, I don't know. But it's worth, I think, taking a look at. So that's roughly a year from now when it goes online, but it may -- it may or may not have an impact on tourism, so.

MR. BACZKOWSKI:

Could be a new funding source.

D.P.O. SCHNEIDERMAN:

Well, it will potentially be revenue for the County to a point. No question. It's hard for us to predict at this point, though, what that may be or when it will actually -- we'll actually see that revenue. But right now it's projected for probably early 2016. Okay. I think that's really all -- you know, I want to welcome you. Tourism is something that I've been involved with pretty much my whole life. So I think it's a really important part of our economy. Sometimes it doesn't get talked about as much as other things, but it certainly brings a lot of money in. And I think part of our growth in Suffolk County in terms of sales tax has come from the strength of the tourism industry. And, you know, I'm always looking for those things that, you know, might be impediments to the growth in that industry or might, you know, affect that industry whether as traffic builds up and people get discouraged from coming here; or, you know, things we've seen in the past, like hospital waste washing on shore or fear of Lyme disease, all those things impact tourism. So I think it's really important that, you know, we work together, you know, with the County understanding we are a sales-tax funded County. And for us to deliver programs, you know, from our Health Department or community colleges to our beautiful parks, public transportation, we count on revenues from sales tax. So, you know, I'm happy to work with you in that regard.

MR. BACZKOWSKI:

Thank you.

CHAIRPERSON LINDSAY:

Yeah. My only question for you would be, part of my legislative district is Fire Island. And it's always been a community that's felt that they've been underserved by the Convention Bureau, specifically right after Sandy. So my only advice and my only request would be that to see if you can work within that community, even going through the website and looking through your website as it pertains to Fire Island. There's very little information on there as it pertains to Fire Island. And I just would ask that you meet with them and try to work with them because it's a very unique area. And it's a critical area where a lot of people come out from all over -- not only the region but all over the world to visit. And I think it's a -- it should be also included within your marketing efforts as well.

MR. BACZKOWSKI:

And rest assured it will be because it is iconic. And when I told my international friends that, you know, this was where I was coming to, they were like, oh, we know it. And Fire Island would -- well, there are two references: There's Revenge, the TV show and Fire Island, so.

CHAIRPERSON LINDSAY:

Great.

MR. BACZKOWSKI:

So, yeah, you can count on me.

CHAIRPERSON LINDSAY:

I appreciate that. Well, thank you. We appreciate your time. We appreciate your very thorough presentation here today. We look forward to working with you and wish you the best of luck.

MR. BACZKOWSKI:

Thank you.

CHAIRPERSON LINDSAY:

Thank you. Okay, seeing no other business here today, that concludes our Committee hearing and I'll make a motion to close.

**THE MEETING CONCLUDED AT 3:08 PM
{ } DENOTES SPELLED PHONETICALLY**