

Ms. Aimee Vargas, Director
Dennis Murray and Leonard S. Schleifer, Co-Chairs
ESD Mid-Hudson Regional Economic Development Council
33 Airport Center Drive - #201
New Windsor, NY 12553

December 5, 2014

Re: Niagara Bottling CFA Proposal to REDC

Dear Ms. Vargas:

In the many forward-looking initiatives in regional and state planning for climate change, natural resources, and sustainable development, New York and the Hudson Valley are making great strides. As representatives of several communities in Ulster County and across New York State, the undersigned groups and individuals are grateful for these initiatives and leadership by our state and regional officials. Many of us are affiliated with the organizations represented by the "Green Circle Committee" of the Mid-Hudson Regional Economic Development Council ("REDC") and endorse its goals and strategies. For this reason, we are writing to express our reservations regarding the Mid-Hudson Regional Economic Development Council's endorsement of the Niagara Bottling proposal for Ulster County.

We do not believe that the Niagara Bottling proposal supports or helps foster what is best about our great region and have the following concerns regarding the potential for its award of funds in the upcoming announcement on December 10, 2014:

- 1. Completion of SEQR Process:** Before a state or local agency like REDC can make a decision to fund an action like the Niagara Bottling proposal, it must comply with the requirements of the State Environmental Quality Review (SEQR) process. The Town of Ulster, now Lead Agency for the review, has initiated a coordinated review and issued a Positive Declaration requiring the preparation of a draft environmental impact statement ("DEIS") for the Niagara proposal (the proposed action in SEQRA terms). The Town has determined that a full public scoping process will take place, and we expect to participate in that process to ensure a fully detailed review of all potential impacts. In defining the action subject to review, the Environmental Assessment Form (EAF) submitted to the Town of Ulster by the applicant failed to include all known or reasonably anticipated phases of the project, inconsistent with the SEQR requirement that the "whole action" be reviewed, whether an agency's decision-making relates to the action as a whole, or only a part of it, such as funding. The EAF also failed to identify the Lower Esopus Creek's designation as an Inland Waterway, and the associated requirement of a Coastal Consistency Determination prior to any final decision on an action by a state agency. The Lower Esopus is also an impaired waterway by the NYS DEC, due in part to turbidity resulting from NYC's operation of its reservoir. If the project has the potential to introduce additional pollutants that would further stress an already troubled water body, such discharges may not be allowable. It is therefore critical that the environmental review process for this proposed action be completed to inform all decision-making related to it, including funding, as required by SEQRA. The timeframe for this review is likely to extend well beyond the typical grants award process for this round.
- 2. Alignment with REDC Selection Criteria:** The REDC's "2014 Available Resources" guidelines set forth selection criteria. These criteria include a number of factors that do not appear to be met by this company, in particular considering its track record regarding environmental issues at other sites. These seemingly unmet criteria include, as stated on pages 9 and 10 of the guidelines:

- a. The overall economic impact that the project identified in the application will have on a region, including, but not limited to, the number and impact of any direct or indirect jobs that will be created;
- b. The number of new jobs created and/or at-risk jobs that will be retained;
- c. The amount of capital investment and the level of increased economic activity from the proposed capital investment;
- d. The likelihood that the project identified in the application would be located outside of New York State or would not occur in New York State but for the availability of state or local incentives.
- e. Whether the project has demonstrated support from local government and private sector leaders in the locality and the region where the project will be located; and
- f. The degree to which the project supports the principles of Smart Growth, energy-efficiency (including but not limited to, the reduction of greenhouse gas and emissions and the Leadership in Energy and Environmental Design [LEED] green building rating system for the project identified in its application), and sustainable development.

3. Alignment with the Mid-Hudson REDC Strategic Plan: The Niagara Bottling proposal is not in keeping with the REDC's stated vision Goals and Supporting Strategies, which include the following:

In the Strategic Plan, as well as the Green Circle Committee's Report presented to the REDC in June 2014 as part of that committee's ongoing work with the REDC, it is clear that the value placed on a safe, clean drinking water supply is paramount to economic development in the region. The plan calls for "protecting and preserving drinking water reservoirs and watersheds; and conserving drinking water." In particular, the plan supports relevant industries associated with Natural Resources, i.e., "Green circles - industries that are meaningfully tied to the land and our natural infrastructure and important to retain and attract employers and employees in all industry sectors."

The Niagara Bottling proposal, and the sale of valuable public drinking water resources, directly contradicts the REDC's state goals.

4. REDC Job Creation Goals: The Council defines "desirable jobs" as those that "would pay above-average wages" (p. 36) and believes that a clustering strategy results in "higher employment growth as well as higher growth of wages, number of establishments, and patenting. Industry and cluster level growth also increases with the strength of related clusters in the region and with the strength of similar clusters in adjacent regions" (p. 23). According to several detailed, primary source analyses of the Niagara Bottling Company, the wages are below industry standards by as much as 75% in certain jobs in their class, bottled water workers are injured and fall sick more than twice as often as the typical private sector worker, and fewer than half of the jobs created at bottling plants go to area residents (sources: Bureau of Labor Statistics; Bartik, T., Regional Studies and Upjohn Institute for Employment Research working papers and EconNorthwest). Furthermore, water bottling plants do not lend themselves to the well-established concepts of clustering adopted by the Strategic Plan (i.e., a geographic concentration of related companies that raise an area's productivity). On the contrary, the potential for the Niagara Bottling Company to reduce the prospects of our area's economic development and opportunities for clusters by significantly reducing the capacity of our water supply and access for other businesses is a very real concern.

The Town of Ulster and its surrounding communities have a clear need to rebuild our local economy, which suffered greatly from the departure of IBM, a company that provided quality, high-paying jobs and helped to build our region. As we rebuild our local economy, we believe it must be done by protecting our natural assets, building our human resources, and focusing on strategies that can support long-term, resilient growth.

We urge the Regional Economic Development Council to consider these concerns and to follow the goals and strategies you have laid out for our region. Moreover, we urge you to allow the SEQR process to provide a more in-depth analysis of the impacts associated with the Niagara Bottling proposal before announcing the award of much needed funds that could support sustainable economic development in our region. We ask you not to award funds for this proposal among the 2014 CFA grants and to wait until the environmental review of the “whole action” associated with Niagara Bottling’s proposal, which has only recently been initiated, is completed and provides the information necessary to determine whether the Niagara proposal will be beneficial to our region.

Sincerely,



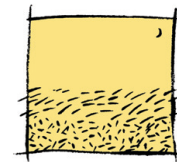
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Jennifer Schwartz Berky, Planning & Policy
Advisor
KingstonCitizens.org



Kate Hudson, Watershed Program Director
Paul Gallay, President
Riverkeeper



Joseph Stelling, Environmental Campaign
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Kathleen Nolan, MD, MSL Sr. Research
Director
Catskill Mountainkeeper



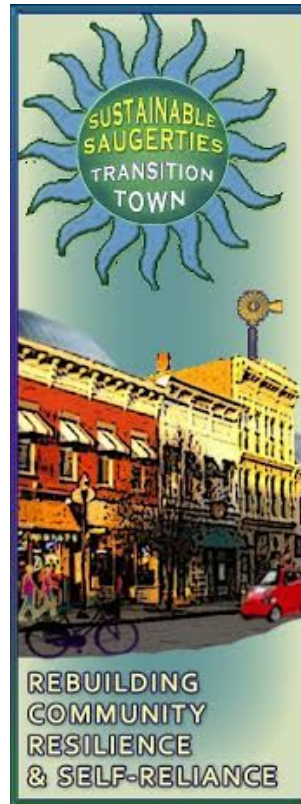
Laurie Husted, Chair
Red Hook Conservation Advisory Council



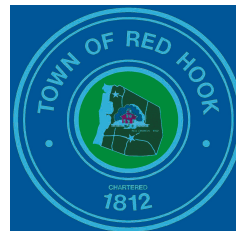
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