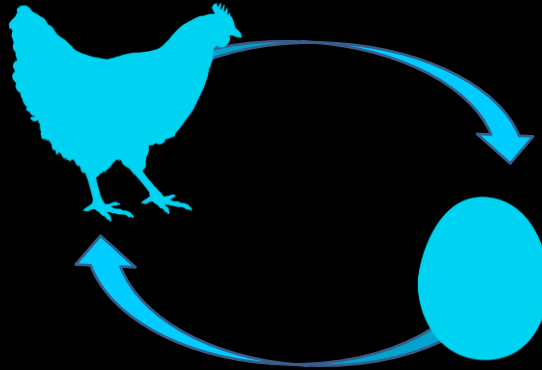


Build It and They Will Come

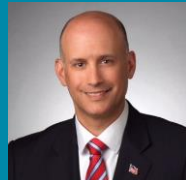
PART 2 — CHICKEN AND THE EGG:
Does Economic Development Lead to
Infrastructure Development or Vice Versa?



AOT Annual Meeting and Training School



THEODORE T. KUSNIERZ, JR.
SUPERVISOR,
TOWN OF MOREAU,
NEW YORK



BEN SYDEN
AICP
VICE PRESIDENT,
LABERGE GROUP



NICOLE ALLEN
AICP
PLANNING SERVICES
MANAGER,
LABERGE GROUP

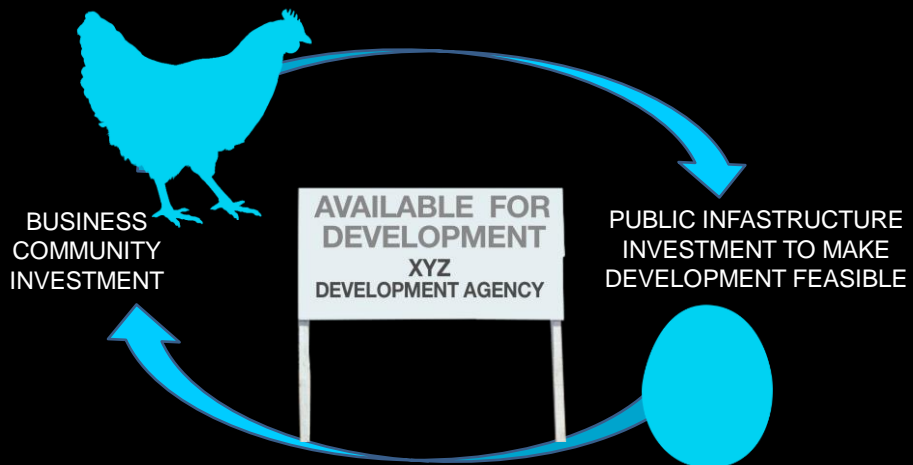


AGENDA

- Build It and They Will Come
- Lay of the Land
- The Opportunity
- Corridor Challenges
- Crucial Partnerships
- Leading the Way Forward
- Building the Way Forward
- Funding the Way Forward
- Early Return on Investments



THE CONUNDRUM



BUILD IT AND THEY WILL COME

TOWN OF MOREAU RT 9 CORRIDOR ECONOMIC DEVELOPMENT OPPORTUNITY – A CASE STUDY

- Proactively building infrastructure to create an environment that fosters economic development
- Process for creating or extending water and wastewater services to attract business development or expand employment opportunities
 - Along corridors – in hamlets – to industrial parks
- THE TOWN OF MOREAU
 - Process leading to the extension of sewer service along Route 9
 - Tremendous economic activity and interest that has resulted



SUPRISING SIGNIFICANCE OF SEWER

“Infrastructure – whether that be roads, water, or in this case, sewer – is the lifeblood and primary artery for the health and vitality of the community.”

– Shelby Schneider

CEO, Saratoga County Prosperity Partnership



SUPRISING SIGNIFICANCE OF SEWER

“There’s a very basic correlation when it comes to sewer, water, and jobs. It’s quite simple – without the sewer, you’re not going to get jobs in any quantities.”

— *John Munter*

President, Munter Enterprises



LAY OF THE LAND



SARATOGA COUNTY
230,000 People

TOWN OF MOREAU
Approx. 15,000 Residents

MEDIAN HOUSEHOLD INCOME
\$33,100



LAY OF THE LAND

TOWN OF MOREAU RT 9 CORRIDOR

- Economic growth had stagnated while neighboring communities benefitted from impressive growth rates
- Route 9 Corridor, exit 17 off I-87 (The Northway)
 - Greatest potential to be the driver of economic development for the Town
 - Large tracts of vacant land, high traffic count and location make it appealing
 - Lack of municipal sewer severely limited interest in developing available property



SUPRISING SIGNIFICANCE OF SEWER

“Due to the lack of sewer, the Northway corridor at exit 17 has been stagnant in growth in a timeframe during which all the other exit corridors that provided utilities were experiencing a constant rate of growth and increase in tax base that has helped their towns keep pace with current costs while keeping residential taxes low.”

— John Munter

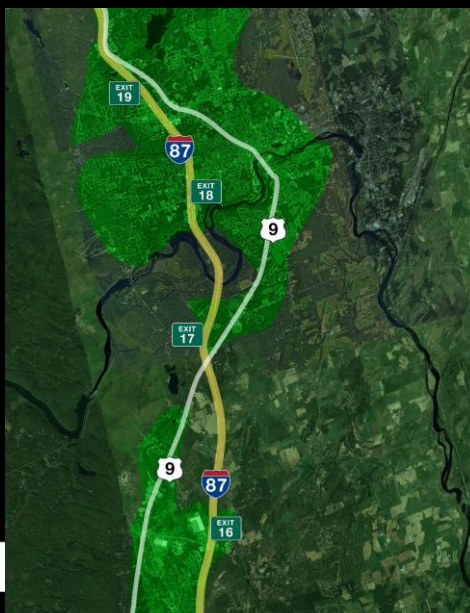
President, Munter Enterprises



LAY OF THE LAND

EXIT 17 IN CONTEXT

- Exit 19 Queensbury
- Exit 18 Glens Falls
- Exit 17 Moreau
- Exit 16 Wilton



Laberge Group



THE OPPORTUNITY AT 17

- Frontage on Route 9 and I-87 (the Northway)
- Impressive traffic rates appealing to retail (avg. 19,450 vehicles / day)
- Other types of businesses (distribution, manufacturing, warehouse), are drawn to ease of access to I-87
- Exits to the North and South with comparable traffic that offer sewer infrastructure benefit from a higher rate of development investment
- Increasing saturation and land cost at exits to the North and South make Exit 17 more attractive



THE OPPORTUNITY

“Having that final component of sewer infrastructure in place will mean that Moreau can compete on a level playing field and can now compete with the exits to the North of us and to the South of us.”

— Supervisor Todd Kusniery

Supervisor, Town of Moreau



THE OPPORTUNITY

“From the types of projects I’ve seen at other exits along Route 9, having sewer in place will give the corridor in Moreau the potential to attract HUNDREDS OF NEW JOBS. And not just jobs, but also a boost and balance for the tax base of the Town.”

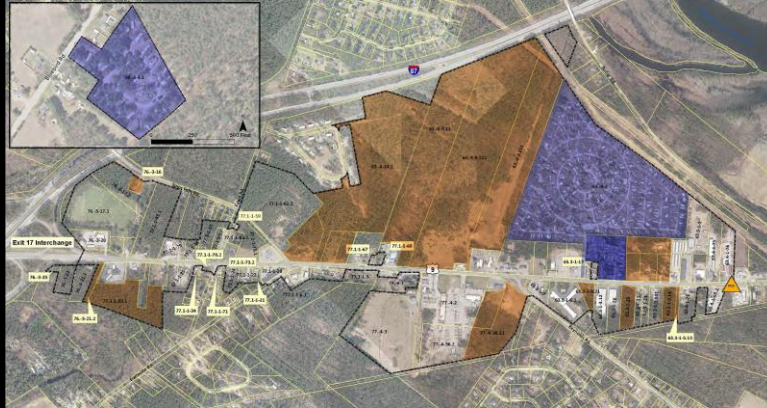
— Shelby Schneider

CEO, Saratoga County Prosperity Partnership



SEWER DISTRICT CHALLENGES

TOWN OF MOREAU RT 9 CORRIDOR SEWER DISTRICT



District – 535 Acres

Mobile Home Parks – 94 Acres

Vacant – 240 acres



CORRIDOR CHALLENGES

TOWN OF MOREAU RT 9 CORRIDOR

- Serious health, safety and welfare issues for residents
 - Three mobile home communities with a total of nearly 500 housing units
 - Facing current and imminent septic issues
 - Remediation conforming to current DOH standards would require individual tanks for each home, presenting issues of:
 - Significant expense
 - Displacement of current residents
 - Loss of rentable land (due to additional acreage needed for septic use)



CRUCIAL PARTNERSHIPS

DON'T GO IT ALONE

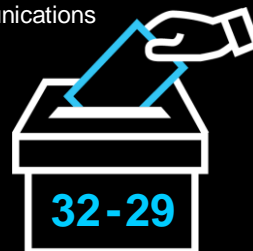
- Partnered with groups to market and promote the region
 - Saratoga Economic Development Corporation (SEDC)
 - Saratoga County Prosperity Partnership (SCPP)
- Assembled strategic team with necessary experience and expertise to move the project forward
 - Legal
 - Engineering
 - Expertise to structure financing, conduct income survey to qualify for grant funding, submit successful funding applications, create special sewer district, etc.



LEADING THE WAY FORWARD

OVERCOMING OBSTACLES

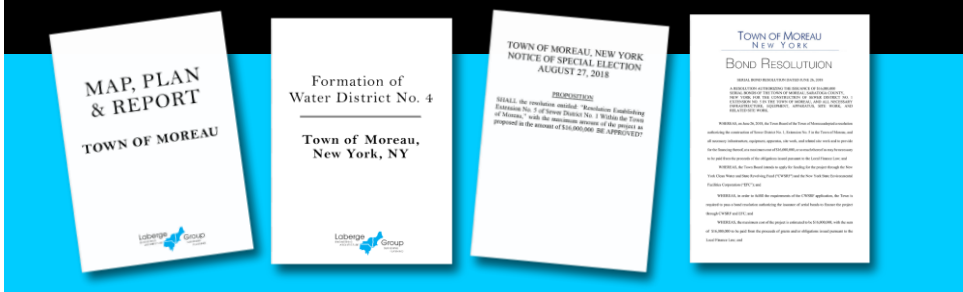
- Two attempts under previous administrations had been unsuccessful
- Listened to stakeholders / constituents – and learned from past issues
 - Scaled down size and scope of the projects
 - No requirement for residential properties
 - More equitable distribution of costs based on equation using both assessed value and acreage, but not EDUs
 - Inclusivity, transparency, and proactive communications
 - Called for public referendum
- Funding challenges and solutions
- Public referendum: property owners in the proposed sewer district voted in favor of the project



LEADING THE WAY FORWARD

STEP-BY-STEP

- Conducting Map Plan & Report
- Establishing Funding Structure
- Public Referendum
- District Formation
- Bond Resolution
- Securing Financing and Grant Funding



BUILDING THE WAY FORWARD

SYSTEM SPECIFICS

- Created Sewer District No. 1 Extension 5
- Area along Route 9 North of Exit 17 and south of Butler Road
- A second non-contiguous portion of the district is located on Bluebird Road
- Approximately 31,000 linear feet of low pressure sewer and 27,400 linear feet of forcemain
- Pipes ranging in size from 6 to 10-inches
- Connect with the existing 8-inch which transports the sewage to the City of Glens Falls for treatment
- Existing intermunicipal agreement that allows the Town to purchase treatment capacity from the City



BUILDING THE WAY FORWARD

THE PATH FORWARD Sewer District 1 – Extension 5

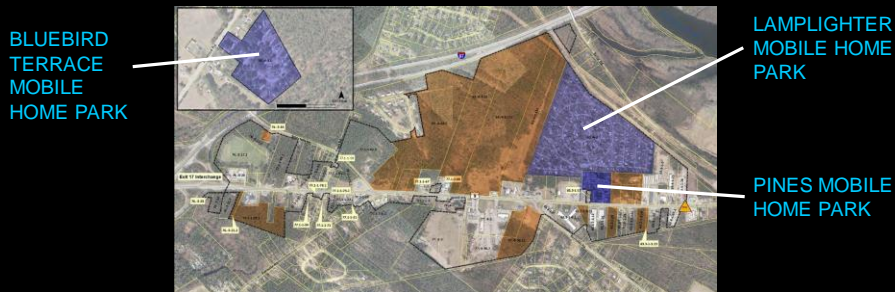


FUNDING THE WAY FORWARD

- Budget: \$16 million
- Rather than distributing cost on an EDU basis, the annual debt service to be divided based on an innovative formula:
 - 90% of the cost using assessed value (ad valorem basis)
 - Remaining 10% using parcel acreage
- Financing and Grant Funding
 - State Environmental Facility Corp. (EFC) Hardship 0% interest 30 year loan for \$12 million
 - NYS Water Grant \$4 million grant
 - Successfully secured funding reduced tax burden by almost 200%
 - Operation and maintenance costs to be recouped through a combination of an ad valorem charge and a use charge.

FUNDING THE WAY FORWARD

- Seeking additional funding for mobile home parks
 - Applying to the Office of Community Renewal (OCR) for assistance
 - Maximize funds and lower costs to end users
 - Each new business development project that is added helps defray costs for the mobile parks and their residents



SUPRISING SIGNIFICANCE OF SEWER

“Without water and sewer, the amount of jobs that you can create are limited because of the kinds of businesses that you’re able to put in without that infrastructure.”

— John Munter

President, Munter Enterprises



EARLY RETURNS ON INVESTMENT

- Since the approval of the extension, creation of the sewer district, and securing funding, property has been turning at a rate unheard of before the sewer was approved
- Already several large sales and many more promising inquiries
- New investments and interest from the business community is making the stretch along the planned sewer extension one of the hottest new opportunities for investment in the County

ROI



EARLY RETURNS ON INVESTMENT

- Benefit to the mobile home land owners and tenants
 - Can tie into sewer before septic systems fail causing health and safety issues
 - Don't have to install a separate tank for each unit or install a leach field per current DOH regulations
 - No loss of rentable property and income to allot acreage for the required leach field
 - Not only will they be able to keep those lots filled to capacity, there may be areas of the park that they can expand into for additional revenue

None of this could have happened without sewer.



EARLY RETURNS ON INVESTMENT

“Economic growth along the corridor
is about to change overnight –
and we’ve already seen the
beginnings of that.”

– *Supervisor Todd Kusniery*
Supervisor, Town of Moreau



EARLY RETURNS ON INVESTMENT

- *The Post Star* newspaper refers to it as a “Surge of Route 9 buyers”
- The *Albany Business Review* says that “the area around Exit 17 on the Northway is now primed for development”



EARLY RETURNS ON INVESTMENT

SARATOGA
OLIVE OIL CO.

HUDSON HEADWATERS
HEALTH NETWORK

Munter
ENTERPRISES, INC.

Stewart's Shops

Laberge Group

AOT

MORE
TO COME

EARLY RETURNS ON INVESTMENT

- These developments were not included in initial calculations
- The newest investments have the potential to reduce the cost per individual land owner by approximately 20%

20% Off

Laberge Group

AOT

EARLY RETURNS ON INVESTMENT

MUNTER ENTERPRISES

Commercial Construction and Land Development

- Purchased 27 acres for \$1.6 million in 2016 prior to sewer referendum
- Sold a 5 acre parcel for \$1.42 million in 2018
- With other exit corridors along I-87 largely built out and the potential for a sewer extension in Moreau, the firm purchased the property with hopes of generating interest from large retailers

"We took a risk prior to the sewer being approved hoping that in our era of interest that it would be approved, and that if it was that we would have a really good opportunity to attract some jobs there."

John Munter
President, Munter Enterprises



EARLY RETURNS ON INVESTMENT

SARATOGA OLIVE OIL COMPANY

Olive Oil Retailers

- Purchased property with vacant building in 2018 after referendum
- Built a warehouse and small retail space
- Moved 10-12 employees to Moreau location

"SOOC is excited to be one of the first businesses to invest in the exciting Exit 17 corridor projects in Moreau. With the future growth of our business, we plan to invest more into the local community with job openings and construction opportunities."

Clint Braidwood
Owner, Saratoga Olive Oil Co.



EARLY RETURNS ON INVESTMENT

HUDSON HEADWATERS HEALTH NETWORK HEALTHCARE NETWORK

- The first to break ground after the sewer district was approved in 2018.
- Paid \$625,000 to purchase 5.1 acres and invested \$11 million in a 24,000 sq. ft. primary care center
- Significant investment in septic until sewer becomes available (nearly \$100,00 and 1 acre)

“The main benefit to us is operational efficiency – avoiding the extensive preventative maintenance that we manage at other locations. The exact financial implications for this property are still unknown, but we’d prefer to pay for sewer over septic.”

Chris Turner
CFO, Hudson Headwaters



THE WAY FORWARD

“The foresight, vision, and political will of the community leaders in Moreau to bring this sewer infrastructure down Route 9 will impact the community for years, if not decades or even generations to come.”

—Shelby Schneider

CEO, Saratoga County Prosperity Partnership





Thank you!