

# **ECONOMIC DEVELOPMENT**

**A POLICY ELEMENT  
OF THE  
COMPREHENSIVE DEVELOPMENT PLAN**



**Monroe County, New York**

# RESOLUTION ADOPTING ECONOMIC DEVELOPMENT ELEMENT OF THE COMPREHENSIVE DEVELOPMENT PLAN

*Intra. No. 102*

## RESOLUTION NO. 90 OF 1979

**Adopting Housing Policy, Environmental, Transportation, Wastewater, and Land Use Elements of Monroe County Comprehensive Development Plan; Limiting Implementation Thereof.**

WHEREAS, the Monroe County Charter provides for the adoption and annual review and update of an official comprehensive development plan, or one or more parts thereof, for the County of Monroe; and

WHEREAS, the Monroe County Legislature recognizes that growth and development are desirable and will occur in Monroe County; and

WHEREAS, the Monroe County Legislature recognizes a need to provide a comprehensive development plan as a guide to growth and development in Monroe County so that, to the greatest extent possible, decisions about where development will occur will be made with full knowledge as to the costs which will accrue as a result of such development; and

WHEREAS, it is the intent of the Monroe County Legislature, in adopting such a plan, to:

- (1) keep down the cost of development to Monroe County taxpayers by encouraging development to concentrate in areas which already have the public services needed to support such development; and
- (2) stimulate economic development, revitalize the City of Rochester and other urban areas of the County, and protect the environment; and
- (3) set policies with which County government will conform in its actions that affect development of the County; and

WHEREAS, the adoption of such a plan, or one or more parts thereof, does not transfer land use control powers or any other powers of local government to the County; and it is not the intent of the Monroe County Legislature, in adopting such a plan, to effectuate any such transfer of land use control powers or any other powers of local government; and

WHEREAS, the Monroe County Legislature has heretofore adopted in principle the following elements of the County comprehensive development plan: (1) Housing Policy Element, adopted October 24, 1978 by Resolution No. 445 of 1978; (2) Environmental Element, adopted November 16, 1978 by Resolution No. 487 of 1978; (3) Transportation Element, adopted November 30, 1978 by Resolution No. 527 of 1978; (4) Wastewater Management Element, adopted January 16, 1979 by Resolution No. 2 of 1979; and (5) Land Use Element, adopted February 6, 1979 by Resolution No. 23 of 1979;

*Now, Therefore, Be It Resolved by the Legislature of the County of Monroe, as follows:*

**Section 1.** Pursuant to Article VII, Section 706 of the Monroe County Charter, the following parts of the comprehensive development plan for the County of Monroe are hereby adopted:

- (1) Housing Policy Element, Draft 2, dated August, 1978;
- (2) Environmental Element, Draft 2, dated September, 1978;
- (3) Transportation Element, Draft 2, dated September, 1978;
- (4) Wastewater Element, Draft 2, dated December, 1978;
- (5) Land Use Element, Draft 3, dated January, 1979, as amended.

**Section 2.** Inasmuch as this Body is currently reviewing extensive proposed revisions of the Monroe County Charter, including proposed revisions to Article VII thereof relating to County planning functions, the implementation of the above elements of the County comprehensive development plan shall be limited, pending final determination of said proposed Charter revisions, to those actions and projects initiated or financed by the County of Monroe; and those actions, projects or other matters currently reviewed or permitted by the County of Monroe, its departments or other agencies, pursuant to authority other than that contained in the present Section 706 of the Monroe County Charter.

**Section 3.** This resolution shall take effect immediately.

Planning and Economic Development Committee, February 27, 1979 - CV: 5-1

File No. 78-097

# **ECONOMIC DEVELOPMENT**

**A Policy Element of the  
County Comprehensive Development Plan**

**October 1979**

**prepared by  
Monroe County Department of Planning**

## INTENT OF THE COUNTY COMPREHENSIVE DEVELOPMENT PLAN

The comprehensive development plan is intended to serve as a guide for achieving the broad social, physical, and economic development objectives of the county. The plan is intended to give direction to the actions of the county legislature, and of departments and other agencies, as such actions affect the development of the county, and it is intended to guide all official county plans and policies for both services and capital facilities, including but not limited to county plans and policies concerning human resources, public safety services, physical and environmental resources, and land use. Although the authority of the plan over the actions of local governments and private interests is limited to that authority set forth in sub-section 503.C below and in section 504 of this charter, the plan is intended to serve as a general guide to such actions as they affect the development of the county. The plan, through its development and continuing amendment, is intended to serve as a means for reviewing, modifying, and integrating all individual plans before such plans are implemented. The plan thereby is intended to assist in achieving the following with respect to community services and facilities: coordination; consistency in application of policies and accepted standards; public and official evaluation of the effectiveness of governmental performance; elimination of unnecessary duplication; and maximum utilization.

(Section 503. B of the Charter of the County of Monroe)

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## SUMMARY

This report presents a preliminary draft of the Economic Development Element of the Monroe County Comprehensive Development Plan. The purpose of this element, like the others, is to guide decisions by the County Legislature and county departments and agencies.

This element begins with a description of the historical development of the Monroe County economy, giving particular attention to the changes which have occurred in the structure of the local economy in recent decades. These changes are of an enduring nature and suggest that we cannot expect growth rates in the future like those of the past. Monroe County, however, is still found to offer substantial advantages which, if properly exploited, can provide for economic stability and moderate growth in the future.

The discussion then turns to the role of county government in economic development. The role is an indirect one, as county government does not have authority over the location and types of economic activities which take place in Monroe County. County government, however, can have major effects on economic development through its indirect role: through its basic attitudes toward economic development, through the efficiency of its operations and the quality of its services, and through the level of its support for activities to promote economic growth.

The element then discusses the major needs which must be addressed in a Monroe County economic development program. Included are such needs as fostering a positive attitude toward the local economy, providing financial incentives for economic development, acquiring an adequate inventory of industrial sites which are ready for development, expanding opportunities for labor force training, and promoting tourism.

To help achieve an overall goal of stimulating growth in the economy, the element sets forth a number of policies to guide the actions of Monroe County government. Included are policies which call for the county to:

Establish and maintain a long-term economic development program which gives primary emphasis to the retention and expansion of existing industry in the county.

Provide the capital improvements and fiscal incentives which are needed to assure an adequate inventory of industrial sites.

Promote the convention, conference, and tourism industry.

Support public and private vocational educational programs.

Bring about the creation of foreign trade zones.

Maintain the agricultural industry.

Bring into effect programs which will reduce the competition among municipalities for a new tax base.

Establish a business improvement loan or grant program within the County Community Development Program.

Provide public improvements to bring into effect the Downtown Development Plan and other plans to revitalize urban centers in the county.

The element concludes with a brief listing of the kinds of actions which would be expected of Monroe County government to bring the policies into effect. The listing serves to illustrate some of the effects that would result from the adoption of the policies by the Monroe County Legislature.

## INTRODUCTION

The purpose of this economic development element is to examine the trends underlying the economy of Monroe County and to suggest some ways in which these trends can be strengthened where they are favorable and counteracted where they are not. In particular we are concerned here with the means by which county government can serve as a constructive force in support of the local economy.

Monroe County is once again in a period of dramatic change. The almost hectic growth of the past generation has ended, and the future is uncertain. To a large extent the situation in Monroe County reflects changes in the regional and even national economy. Still, there are also forces at work, both positive and negative, which are unique to the local economy. The extent to which the community itself recognizes these sometimes subtle currents of change, and bends them to its advantage, will to a large degree determine the economic vitality of Monroe County in the coming decades.

Part of the challenge, one which this element attempts to meet, is to obtain a better understanding of what constitutes economic development. The traditional view is that economic development is the growth in population, employment, incomes, and other measures of prosperity. While this view offers an operational definition for measuring economic development, the truth is that economic development is a much broader concept than one which can be measured by growth statistics. It is an enhancement of the community's ability to offer a better job, a better home, a better education--in essence, a better life for each of its citizens. Thus any action which brings about an improvement in the quality of life is an economic development action. It is clear, therefore, that every action or inaction of local government has an economic implication. Recognition of this fact by the citizens of the community is an essential first step in a successful program of economic development.

Monroe County has seen industries rise to dominate its economy, only later to fade into insignificance. Largely through good fortune others have always risen to take their place. Now, however, there are some clear signs that luck will no longer be enough. Monroe County has a very fortunate economic legacy, one which can form a sound basis for future growth, bringing added benefits to its citizens. Or that legacy can be squandered. That is the choice which the community must be called upon to make. It is hoped that this element will give Monroe County government basic direction for a positive and active commitment to the future economic success of the county.



## THE HISTORICAL PERSPECTIVE<sup>1</sup>

Central to the understanding of any regional economy is a knowledge of the manner in which it evolved. This section, by giving a brief outline of the historical development of the Monroe County economy, attempts to provide a basis for such an understanding.

The roots of the economy of Monroe County are in the American frontier of the late eighteenth and early nineteenth centuries. Shortly after the close of the Revolutionary War, a few settlers began to clear the heavily forested lands of Western New York. By 1790, a handful of pioneers lived between Avon and Lake Ontario, and grist mills were operating just west of where Court Street Bridge stands today.

The first major impetus for settlement in Rochester came in 1803, when Nathaniel Rochester and his partners bought a 100-acre tract near the Genesee River falls for \$17.50 an acre. A community soon began to rise on Colonel Rochester's tract. The first school was organized in 1813, meeting in a loft until a one-room schoolhouse could be built. By 1815, 332 people lived at the Genesee River falls, and about 12,000 resided in the towns that became part of Monroe County.

Digging for the Erie Canal began in 1817, and the Rochester section of the canal was opened in 1823. The whole waterway was finished in 1825. The canal hastened the development of the area. A bushel of wheat that had cost \$1 to ship to New York could be sent by canal for ten cents. Rochester has been called the nation's first boom town because of its rapid growth in the early years of the Erie Canal.

The basis of Monroe County's early economy was land. The main crop in the settlements surrounding Rochester was grain, and large flouring mills made Rochester famous as the "Flour City." The industry, however, soon declined as a result of the financial panic of 1837 and the blight of the weevil on local wheat, coupled with the improved quality of western-grown wheat.

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1. Portions of this historical narrative are derived from the 1978 Monroe County Overall Economic Development Plan.

Nurserymen convinced local farmers to convert to fruit orchards after wheat crop failures. According to the federal census of 1860, Monroe County was first in orchard products in the state, second in garden products, and eighth in wheat. At its peak in the 1870's and 1880's, the area supplied nearly half of the nation's commercial output of orchard and nursery products. This thriving business supported other industries such as packaging and printing. Rochester's quality printing industry got its start by printing seed and nursery catalogs.

In the late nineteenth century Rochester industry grew more diverse, more dependent on machines and skilled workers—a condition that prevails to this day. This period saw growth in shoe and clothing manufacturing, in which immigrants, particularly German Jews, found ready employment. The shoe industry lasted until the 1920's in Rochester as a result of an innovation that made mass production possible. After the turn of the century, however, companies began to move elsewhere because of labor problems. The garment industry followed a similar cycle.

While Rochester was moving away from industries closely tied to natural resources, the town and village economies were still based on such industry. One of the most notable trends of the late 1800's was the popularity of resort hotels taking advantage of the lake and bays. A number of excursion boats plied Irondequoit Bay, and it was also a popular place for ice boating and skating in the winter.

The late nineteenth century also saw the inception of the technologically advanced industry which remains today the backbone of the Rochester economy. William Gleason's gear cutting machine mechanized a job formerly done by hand and was the basis of the modern Gleason Works. Caspar Pfaudler started a new industry by fabricating glass-lined tanks for breweries, and George Taylor found a ready market for his industrial thermometers. These latter two companies, combined with Rochester's Ritter Company and the Wilmot Castle Company, today are part of the Sybron Corporation.

In Reynolds Arcade, built on the site of an early tavern, John J. Bausch and Henry Lomb, German lens makers, began a partnership in optics. There, also, Hiram Sibley put together the telegraph company combine that became Western Union. Another enduring success has been the company founded in 1878 by a young bank

clerk, George Eastman. Based on a machine that would make dry plates uniformly and in quantity, the company prospered. Eastman soon learned how to make film in rolls, and following that an easy-to-operate, lightweight camera. From these modest beginnings Eastman Kodak has grown into a worldwide company with sales of 7 billion dollars in 1978.

The decade beginning in 1920 might well be viewed as the beginning of the region's modern era. Many institutions and organizations were formed, and the industrial pattern which we know today was set during this period. The canal, renamed the New York State Barge Canal, was modernized and rerouted out of the center of the city, acknowledging its declining role in the transportation of the county's goods. The county was to be known more and more for highly technical products of which transportation was a small portion of the cost. Typical exports included such goods as dental chairs from Ritter Company, machines to protect check signers by the Todd Company, and electric automobile starters by North East Electric to replace the hand crank.

The era of commercial, industrial, and financial expansion was brought to a close by the stock market collapse in 1929. The economy, however, gradually recovered until the declaration of war in Europe on September 1, 1939, dispelled what traces remained of the Great Depression.

After the end of World War II the Monroe County economy resumed its growth. The twenty-five years following the war were ones of rapid expansion due to record high birth rates, the movement of previously rural residents in urban areas, and the expansion of employment opportunities generally. The population of the city of Rochester, however, expanded only slightly between 1930 and 1950, reaching 332,488, and since then it has declined (estimates in the mid-1970's are as low as 259,000 persons). Thus the growth of Monroe County in the past two decades or more has been in the suburban areas.

Along with the decline in the population of the city there has been a change in its character. Much of the expansion in suburban towns has been the result of movement from the city of middle class or upper middle class white parents of school-aged children. To the residual population of the city, now with a larger proportion of low-income elderly and young adults, has been added a substantial number of black and, more recently, Spanish American persons who have migrated to the area.

As people have moved to the suburbs, new commercial development has followed them in pursuit of the primary market. There has also been some tendency for wholesale and manufacturing activities to move to suburban sites, but for reasons which are more related to costs than markets. Graflex moved to Pittsford in 1955, Strasenburgh moved to Henrietta in 1957, and Xerox moved into its first Webster building in 1958. This exodus of the residential and commercial tax base from the area which is still the central source of metropolitan services has been a primary factor in bringing to Rochester, as to most American cities, a period of chronic fiscal difficulty.

The rapid post-war growth of the local economy continued until the late 1960's, even though the national birth rate had resumed its historic downward trend. Between 1957 and 1968 the national fertility rate (the number of births per 1,000 women 15 to 44 years of age) dropped from 122.9 to 85.7. Here, however, it seemed to stabilize, and as the nation entered a recessionary period at the end of the 1960's, Monroe County residents looked back on another decade of strong economic growth and a 21% population increase, confident that the Rochester area would once again display its seeming immunity to periods of regional and even national economic stagnation.

In retrospect, however, it is clear that indicators of declining economic vigor were even then becoming visible in the Rochester area. The bellwether residential construction industry, for example, showed signs of weakness in 1968, declined decisively in 1969, and in 1970 reached a post-World War II record low. To this day the rate at which new single-family homes are being built in Monroe County has not risen significantly above the record low in 1970.

The stagnation of the local economy during the past decade has been due in part to a national climate which has not been conducive to local economic growth. The United States fertility rate, after a moderate climb from its 1968 low until the end of 1970, entered a rapid decline that within three years carried it to its lowest level in the nation's history, only one half of what it had been fifteen years earlier. There followed, and continues today, what has been the most economically convulsive period in the nation since the Great Depression. A demoralizing withdrawal from a costly and unpopular war, with its awkward reallocation of national economic resources and priorities, a political scandal that toppled the national leadership and shook the political faith of millions, devaluation of the dollar and crisis-

laden negotiations in international monetary affairs, an oil embargo that emphasized the frail position of our energy-oriented economy and increased our energy costs by 100% or more in a matter of months, massive sales of U.S. grain abroad that further increased domestic consumer costs, the collapse of giant railroads and international banks--these were among the shocks which the nation absorbed in an already alarming economic climate of unemployment and recession combined with double-digit inflation.

Even less conducive to local economic growth has been the economic climate of New York State. In New York State there was the prospect of New York City bankruptcy to inhibit local economies, along with the subsequent state fiscal reappraisal and retrenchment which is now beginning to have its full impact on the municipalities of the state. And there have been all the problems of sustaining growth in a mature industrial state of the northeastern United States. The New York State Economic Development Board describes the economic climate of the state this way:

"Although such (economic) changes occur gradually, their consequences for New York are by now a matter of deep concern. The state, like its neighbors, suffers from chronically high rates of unemployment -- at the present time, more than 3 percentage points higher than the national average. The state's population has not only peaked, to some extent reflecting national trends, but is presently showing a net loss for the first time in the modern era. The rate of business activity is declining, as evidenced by the high degree of capital obsolescence and the rate of plant and headquarters relocation outside the state. Even more ominous is the absolute decline in the number of jobs available. In consequence of these and other changes, the state has experienced increasing financial strain both at the state and urban level because the taxable capacity of the state has failed to keep pace with the high level of demand for public services to which the New York citizenry had long been accustomed."<sup>2</sup>

Contributing still further to the poor economic climate is the exodus of federal tax dollars from New York State to other states, particularly Sun Belt states, which are experiencing high growth rates. It is widely recognized that the federal taxes paid by residents and businesses within New York State far exceed the federal dollars expended within the state, and that by this measure New York State is one of

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2. New York State Economic Development Board, *Taxation in New York State* (unpublished draft), May 1977.

the most economically-disadvantaged states in the nation. Redressing this imbalance would bring enormous economic benefits to New York State.

When the local economy is viewed in light of the state's experience, the faith of Rochesterians in the strength of their economy is seen to be largely justified. Unemployment in Monroe County rose to an unheard of 7% at the end of 1975, but this compared with a rate of over 10% for the state overall. The total wage and salary employment was down substantially in late 1975 from the previous year's average, but it was over 17,000 employees above its 1970 level. City and county bonds are readily sold at favorable interest rates. And despite setbacks in 1970 and 1974/75, the Rochester Index of Industrial Production has continued its upward trend.

It would seem to be a mistake, therefore, to assume a future for Monroe County predicated on the most negative events of the past several years. On the other hand, it would be a far greater mistake to assume that the fundamentals of the local economy are unchanged and that we will soon see a return to the surging growth of the 1950's and 1960's. To do so would be to ignore some basic changes in the local economy. For the first time in memory, for example, the population of Monroe County is believed by the U.S. Census Bureau and other respected analysts to have declined. Since abortion reform was introduced in New York State in 1970, moreover, one out of every five pregnancies of Monroe County residents has been artificially terminated. This constitutes a 38% reduction in the net natural increase (the excess of births over deaths) which would otherwise have occurred. Despite a flurry of activity in condominium construction in the early 1970's (which created a surplus that took years to absorb), the construction rate of single-family houses, as noted earlier, has remained near the post-World War II record low arrived at almost a decade ago. And although total wage and salary employment is up since 1970, employment in the economically vital manufacturing sector has actually declined.

Many have interpreted the decline in manufacturing employment to signify a flight of manufacturing jobs from Monroe County in response to an inhospitable business climate. Fortunately, this has not generally been the case. In only a few instances have significant local manufacturing operations been transferred from Monroe County to locations outside New York State. Supurba Cravats, Sargent & Greenleaf, and the R. T. French Co. are among the few, representing perhaps 1,400 jobs among them. Most of the manufacturing jobs which have disappeared locally in recent years were in operations which were simply closed down. And three out of

the six largest such closings were manufacturers of men's apparel, an industry whose local decline has long been accepted as almost inevitable.

By far the single largest business closing this decade was that of General Dynamics, resulting in a loss of 5,000 jobs. This case is often cited as evidence that industry is being driven out of Monroe County. The closing of this facility, however, was but one part of a nationwide retrenchment undertaken by General Dynamics in order to survive immense financial losses which had been incurred by the company's Convair Division in California. Almost certainly this plant would have been closed regardless of its location.

All of this is not intended to minimize the negative aspects of the loss of jobs, whatever the reasons. Rather it is intended to put the recent Monroe County experience in a proper perspective. A certain amount of decline and attrition is normal in any large economic complex. The real question then is whether or not the overall business environment is sufficiently nourishing to support the growth of other existing enterprises and encourage the formation of new ones at a rate which will compensate for the inevitable losses. The provision of such a favorable environment is the ultimate goal of any economic development effort.

## WHERE WE STAND

"The community is not growing now as it did for many years after World War II. We don't have the strong influx of new families into the area. Industry is not attracting as many people now. We simply have come into a time of change. . ."3

Robert S. Elwell  
Executive Vice President  
Real Estate Board of Rochester

One thing that comes clearly into focus from a review of the history of the Rochester area is that the area has experienced major economic changes, not just once, but several times, and has survived and thrived. Monroe County has now completed yet another distinct phase in its economic development, a period of rapid expansion and social change the origin of which can be placed approximately at the end of World War II. We thus have recently witnessed the end of a period of hyper-growth which spanned a full generation. Local analysts agree that nothing like it will be seen again in Monroe County for at least another generation, if ever.

Perhaps the best prospect for the future of the local economy is a sustained period of much more moderate growth. This, it must be emphasized, is a far from unpleasant prospect. Rapid growth in itself by no means assures a net improvement in the local economy as measured in human terms. Indeed, many of the environmental and other problems facing Monroe County today have their roots in the unbridled growth of the 1950's and 1960's.

Many of the changes occurring in Monroe County are not unique; they are to some extent the result of problems afflicting New York State in particular and the northeastern and north central United States in general. Thus the plight of Monroe County today is shared with many communities and is partly beyond local control. But not entirely. Based on an understanding of the changes which have been occurring in the local economy one can identify policies and programs that will do much to insure the future economic health and stability of the community.

The most unusual feature of the Monroe County economy is its specialization in the manufacturing sector. This sector provides employment for close to 40% of the county labor force, a much higher percentage than in the state as a whole or the

3. *Democrat & Chronicle*, July 23, 1978.



nation. Furthermore, the manufacturing sector itself is highly specialized, concentrating in technologically advanced industries which require a highly skilled labor force. The value added to products by manufacturing workers in Monroe County is exceptionally high, as are manufacturing wages.

Like other areas of the nation, Monroe County will continue to experience a shift in the percentage distribution of its labor force from manufacturing to retailing, services, and other industrial sectors. An economic development program must recognize the importance of these nonmanufacturing sectors and must give every encouragement to their development. At the same time, it must give major emphasis to retaining manufacturing industries, which are the major export industries in the county and the major generators of local employment and wealth.

Because of structural changes in the management of such industries, we can no longer assume that Monroe County will remain host to one of the most productive manufacturing sectors in the nation unless there is strong governmental commitment to this objective. The major manufacturing industries upon which the local economy is based were born in the Rochester area but have grown into major national corporations or have become part of such corporations. This fact has formed the basis for what is the most fundamental and yet almost entirely unappreciated trend affecting the Monroe County economy in recent decades. That trend is the loss of native management, and with it the decline in the emotional commitment to Rochester as a base for operations.

The high-technology companies which form the basis of the local economy were born in Rochester not because it has unique locational advantages but because it was the hometown of a remarkable generation of entrepreneurs. Eastman Kodak, to take the most obvious example, was founded here because this was where George Eastman happened to live. It could just as easily have been founded in Richmond or Atlanta as it was, however, the founders of the backbone of today's local industry had a deep personal commitment to Rochester as their hometown. Today's highly mobile professional management, by and large, does not.

As a result, and more, therefore, decisions concerning the future of these "old line" companies in Rochester are being made on the basis of hard economic issues, and less and less on the basis of any emotional attachment to the Rochester area.

Where management's personal preference (or benefit) is a consideration, moreover, that preference is increasingly apt to be for a location other than Monroe County. A clear example is the Xerox Corporation, which in less than a generation went from a firm managed by a family with strong local ties to an internationally held firm whose professional management found it expedient to move their corporate headquarters from Rochester to Stamford, Connecticut.

The most obvious way in which this dispersion of management has taken place is through direct acquisition of local firms by national and even multinational companies. Noting that this trend has some compensating benefits, the current Monroe County Overall Economic Development Plan points out that:

"Beginning in 1929, when General Motors bought North East Electric, which was the forerunner of both Rochester Products Division and Delco Division, there has been a consistent trend of takeover of local companies by large national concerns. After the war and until the present, acquisitions and mergers have offered an influx of capital for many industrial and financial establishments. An accounting of many of these follows: Defender Photo Supply was purchased by DuPont; Graflex by General Precision and then Singer; Strassenburgh is now the pharmaceutical division of Pennwalt; Stromberg-Carlson was purchased by General Dynamics; Todd Company by Burroughs; Mixing Equipment by General Signal; Crosman Arms by Coleman; Garlock by Colt; Ragu Foods by Chesebrough-Ponds; Shuron Optical by Textron, Inc.; and Consolidated Machine Tool by Farrell Company which is now a division of U.S.M. Corporation."

Ownership has undergone a major transfer and dilution through such acquisitions. Because many of the successful industries in Monroe County had origins which were both modest and local, their early ownership was also predominantly local. The profits from these flourishing enterprises, from current earnings as well as the later sale of the owners' equity outside the community, remained largely within the local economy. Many local family fortunes were thus created, and these in turn, through the generosity of the various families concerned, formed the basis for the creation and maintenance of numerous local institutions of great value to the community. Clearly, however, these days are going, if not already gone. The equity of the great local entrepreneurial successes of this century is already well dispersed beyond the community.

There are still other changes in economic structure which make the climate for growth today different from that in the past. One such change has been in the com-

petitive life of technological innovations. The recent Xerox experience suggests that in today's business world the competitive life of technical innovations is being steadily shortened, and their potential impact on any local economy is lessened accordingly. It is highly unlikely, therefore, that Xerox or an equally innovative successor could have an economic impact on Monroe County during the next seventy years equivalent to that which the Eastman Kodak Company has had on it during the past seventy. In the current atmosphere of populism, moreover, it has become commonplace for major undertakings, both public and private, to be impaired or aborted by the challenge of a group or individual with a conflicting interest. The current private monopoly suits against Kodak and Xerox are examples. They may well signal a coming period in which these premier local enterprises, now directly employing roughly one out of every five persons working in Monroe County (and indirectly many more), will find it difficult to expand or even maintain their existing operations on an integrated basis.

Monroe County, in short, is no longer an economic oasis seemingly populated only by highly skilled middle class workers and wealthy, beneficent entrepreneurs. It is still a community of unusual economic strength, but its "natural" defenses are all but gone. It is therefore now up to the community itself to protect and foster its own economy. To do this it must work vigorously to retain the economy it now has, and it must compete aggressively with other communities for a share of future economic growth.

## THE ROLE OF COUNTY GOVERNMENT

Because of the limits to its authority, county government must play more of an indirect role in economic development than a direct role. Through its indirect role, however, county government can provide a considerable inducement to economic development.

The municipalities in Monroe County -- the city, the towns, and the villages -- have more immediate effects on economic development through the exercise of their powers to regulate land use, including their powers to zone land, to approve subdivisions, and to issue building permits. Because the authority of the county over such matters is very limited, the county generally cannot directly determine the location and character of economic activities.

Indirectly, however, the county can have major effects. Monroe County government is in a sense the metropolitan government for the Rochester area. Through its basic attitudes toward economic development and through many of its activities, Monroe County government sets the overall climate for economic development in the metropolitan area. Whether this climate is favorable or not depends on whether the county conducts its business in a way which is sympathetic to the needs for economic growth. The basic attitudes of the county toward economic development, the efficiency of its operations, the quality of its services, the manner in which it conducts its regulatory functions, the financial support which it gives to a program to promote economic development -- these and other activities of county government can have a major effect on the future of the economy.

The key to economic development is a constructive governmental attitude, one which is conducive to an improvement in the quality of life. A recent survey by Congress's Joint Economic Committee highlights the importance of governmental attitude and quality of life. As reported in the Wall Street Journal, the study, which covered 1,290 businesses of all sizes in ten cities, found that:

"... the companies gave particular importance to such items as ... government attitude toward business, crime levels, the adequacy of public facilities and public services, the quality of ... schools and cultural attractions.

"Only one directly business-related factor, market demand for product or services, was among the seven most important qualities companies said contribute to a favorable business climate. Tax rates, business costs

and labor factors, in general, aren't viewed as important as quality of life characteristics,' the study declared."<sup>4</sup>

Similar results were obtained in a recent local study in which 242 small- and medium-sized manufacturing firms in the vicinity of Rochester were surveyed. The survey concludes that the "most frequently mentioned advantages of expanding in Upstate New York are the presence of colleges and universities, the quality of social and cultural life, the overall quality of life, and the quality of schools."<sup>5</sup>

Because the role of county government in economic development is an indirect one, the county cannot expect an immediate or measurable payoff from its activities that bear on economic development. The county cannot build an industrial plant, but it can set the general climate and provide the public facilities which might in the long run result in the building of such a plant. The new resource recovery plant, the parks system, the Pure Waters program, the extensive facilities of the Water Authority, county highway and airport improvements--these are examples of public facilities provided by county government which contribute significantly to metropolitan economic development. Less obvious but no less important is the direct and often substantial assistance given by county government to economically significant projects of other local governments, such as the Outer Loop Industrial Park and the Downtown Cultural District. Since the economic payoff of these and other county activities cannot be easily measured, however, it must often be taken as a matter of faith.

In carrying out its economic development role, the county will have to relate in a supportive way to many interests: to state and local government, to quasi-public institutions, and to private interest groups. It is largely through a constructive relation with such groups that the county will achieve its economic development objectives.

The objectives will not be achieved overnight, but only through sustained effort. If the economic development efforts of the county are to be successful, they must have reasonable assurance of long-term support. The program must be flexible

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4. *The West Street Journal*, Jan. 16, 1979.

5. Peat, Marwick, Mitchell & Co., *Upstate Business* (Rochester: 1979), p. 9.

enough to adjust to changing circumstances, yet have the stability to withstand undue political interference.

Consideration must also be given to the regional dimensions of economic development. The Monroe County economy is closely related to the economy of the Genesee-Finger Lakes region. Economic growth outside Monroe County, but within the region, becomes a stimulus for growth in related industries within the county. Conversely, economic growth within Monroe County becomes a stimulus for growth outside its limits. Because of the interdependence of the county and regional economies, there must be a regional component to local economic development efforts. This component may be realized in part through the representation of Monroe County on the Genesee/Finger Lakes Regional Planning Council. Although a high level of cooperation among the counties within the region is very difficult to achieve, such cooperation should be an objective of the Monroe County economic development program.

In considering the county role, we must return to the question of what is economic development. It is not simply a matter of growth in population or other characteristics. On the basis of their urban economic research in the early 1970's, urban economists Wright and Benson concluded that:

"... it is easy to see that growth, in and of itself, is not the basic ingredient of economic health. In developing an economic strategy for a municipality, the policymakers must look to a broad spectrum of objectives, many of which may not involve growth at all. Diversity of enterprises, opportunities for a multiplicity of types of employment, advancement within various hierarchies, freedom from bias and similar factors may be essential, particularly if the youth are to be retained in the community. Training opportunities, adequate transportation, supporting government assistance, and similar factors may be vital to the employment of the population which is now part of the unemployed or underemployed."<sup>6</sup>

Thus the spectrum of activities relating to economic development is diverse, and the success of such activities cannot be measured simply by changes in aggregate statistics. Often economic development programs have focused exclusively on

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6. J. Ward Wright and Virginia B. Benson. Research conducted for the National League of Cities and the U.S. Conference of Mayors' Office of Urban Services. See *Nation's Cities*, September 1972.

development in the manufacturing sector. An effective economic development program must extend beyond this sector to include a variety of other economic activities, such as wholesaling, agriculture, tourism, and higher education. The county, in carrying out its economic development role, must recognize the full scope of economic development and the often subtle and indirect ways in which governmental activities relate to such development.

## ECONOMIC DEVELOPMENT NEEDS

As the Urban Consortium has noted, "economic development cannot be separated out from the needs for adequate and affordable housing for a firm's work force, efficient transportation systems, cultural amenities, effective crime and vandalism control, adequate public services, and good schools."<sup>7</sup> Nor, it might be added, can it be separated out from the need for effective and efficient government which is responsive to the needs of the entire community.

Thus a major concern in a Monroe County economic development program must be the quality of county services and the efficiency with which they are provided. County government will achieve its economic development objectives only if it acquires a reputation within the business community of being efficient.

There is more, however, to economic development than efficiency in the provision of governmental services. There is, as we have seen, a variety of economic development activities which have traditionally been outside the scope of county government but in which county government can play an indirect role, even if it is limited to giving moral support to the efforts of others. A reputation of truly effective county government must be based on an understanding of the full range of economic development needs, not just those which have been met through the traditional undertakings of county government. Our purpose here is to identify such needs so that they may be taken into consideration in the Monroe County economic development program.

### Community Attitude

Attitude is a fundamental factor in economic success. The community that speaks poorly of itself will not be sought after in this time of intense competition for economic development. Changing technologies in transportation, communication, and production have freed many industries from their familiar locational requirements, making the need for a site by a waterfall a thing of the past and giving many communities a similar advantage in attracting industry. In such an environment community attitude has become the overriding concern in industrial location.

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7. Community and Economic Development Task Force, The Urban Consortium, *Business Retention* (Bulletin), 1977. Prepared by Public Technology, Inc., Washington, D.C.



It has become fashionable for Monroe County residents to speak disparagingly of Rochester and its environment, both social and physical. There is, however, little substance to such comments, and the people who make them (often in a public forum), if challenged, would readily concede that Monroe County is in fact an attractive place in which to live, work, and raise a family.

The beginning point of a local economic development effort must therefore be the education of the community itself. Example may be taken from the "I Love NY" campaign, which is directed not so much to attracting outside business as to instilling a sense of pride and appreciation in the present citizens of New York. "Boosterism" may be regarded as unsophisticated or old fashioned by some, but it has been a principal factor in the recent economic growth of the sun-belt states. It has been said of the General Electric Company, to take just one example of why boosterism works, that it does not select plant sites -- it selects communities, and high on its list of concerns is community attitude. (Appendix A gives General Electric's "Community Check List for Industrial Site Selection," which may be taken as an example of what a typical large industrial firm considers in choosing a community as the site of a new facility.)

A positive outlook on economic growth is important not only for attracting new industry into a community but also for encouraging the expansion or relocation within the community of its existing enterprises. Indeed it is the existing enterprises that are the major concern of an economic development effort. It is important that Monroe County continue its efforts to attract new industry from outside the area, but the county should look primarily to the strengthening of its existing firms, and to the development of related research facilities, suppliers, and the like, for growth in the production sector of its economy.

Community attitude is important to existing employers because of the inherent conflict between their needs and economic development efforts related to bringing new employers into the community. Existing employers must be reassured that the community recognizes their needs and will insure that economic development efforts will operate to their benefit as well as that of others (or, at the very least, will not operate to their detriment). The easiest way to accomplish this is to make the business and industrial community a meaningful part of the economic development program. In South Carolina, for instance, no municipality is accepted into that

state's highly successful rural economic development program unless it can demonstrate acceptance and participation on the part of major local employers.

### Industrial Sites

The South Carolina program also recognizes the importance of industrial sites. To participate in the program, municipalities must either own or have under option no fewer than four state-approved vacant industrial sites which are immediately available to potential developers. This is in keeping with the fact, long known to professional industrial developers, that the availability of an approved site on which a potential client can begin building "tomorrow" is one of the most powerful inducements which a community can offer for economic development.

A vital part of any Monroe County economic development effort must therefore be a program of identifying and developing industrial sites. Such a program can be carried out by private interests or by quasi-public organizations. The Philadelphia Industrial Development Corporation illustrates the potential of the quasi-public operation. The Philadelphia experience is all the more remarkable in that it deals entirely with "recycled" city sites and makes such sites competitive with suburban sites.

A Monroe County program, of course, should deal with industrial sites in both the city and the suburbs. Realistically, the suburban setting will continue to offer compelling attractions for some employers, whose needs must be accommodated through the ready availability of appropriate sites. The industrial park, whether quasi-public or entirely private, is emerging as the most satisfactory means of providing these sites while protecting public interests. A well designed and appropriately sited suburban industrial park minimizes industrial tenant development costs and insures a harmonious environment for the park's neighbors and the industrial park tenants themselves.

Industrial parks are equally advantageous within the city, as the success of the Outer Loop Industrial Park illustrates. More commonly, however, the immediate need within the city is for expansion land near or adjacent to existing commercial and industrial sites, as well as for the "recycling" of older structures. In this type of activity government assistance, whether direct or indirect, is often needed to augment the efforts of the private sector.

## Financial Incentives

To expand, an industry needs not only a site but also favorable financing. Favorable financing often requires special incentives, including low-interest industrial development financing and real estate tax concessions. The combination of such incentives has been the cornerstone of industrial development efforts in the southern states since the 1930's. Only in this decade, however, have such incentives been available in New York State, and only more recently have they been authorized in Monroe County.

Despite the recentness of their application, industrial development financing and tax incentives have been surprisingly effective in inducing firms to remain and expand within New York State, even with its reputation of having an unfavorable business climate. The ability of local interests to put together such a "package" was, for example, a major factor in the recent decision by General Motors to expand in its present Rochester location rather than in a southern state. Such experiences suggest not only that financial incentives are effective in New York State, but also that their potential is by no means yet fully developed.

A local economic development program, therefore, must insure that the community is getting maximum benefit from the application of financial incentive programs. This means that the programs that are available must be aggressively applied and that there must be efforts to obtain legislation which expands or otherwise modifies the programs as experience reveals the need. Present incentive programs, for example, are heavily oriented toward the construction of new plants or the physical expansion of existing facilities. What is often most needed by older firms in the northeast, however, is assistance in upgrading the productivity of obsolescent plant and equipment to levels competitive with newer facilities in the south and west. Greater aid of this type would not only be of value within the manufacturing sector, but would directly address the most vital need of our local agricultural and food processing industry for modernization at an economically feasible cost. (A summary of the financial and tax incentive programs in effect in Monroe County is given in Appendix B.)

When New York State industries were asked in a recent survey<sup>8</sup> what factor would be most important in selecting a new location, they most frequently cited the need for a skilled labor force. (Second and third in importance were proximity to markets and the productivity of the labor force. A tabulation of the responses is given in Appendix C.) This response augurs well for Monroe County in view of its traditional reputation as a source of unusually well skilled labor. The fact that the firms placed such high importance on labor force skills if they were to relocate should not be interpreted to mean that they found the labor force inadequate in their present locations. When asked what they found most unfavorable about their present location, they cited most often the high state income taxes, both personal and corporate.

In fact, however, the Monroe County labor supply in recent years has been inadequate even for the current needs of industry, let alone for expansion. A recent survey of local industry revealed an annual need for at least 730 new skilled workers in five major industrial arts categories.<sup>9</sup> This ongoing need stems in part from normal attrition, but is probably also due to advances or shifts in industrial technology (greater reliance on electronics, for example). Whatever the reason, the fact is that this need is not being met. It may still be true that Monroe County has a highly skilled labor force, but what is overlooked is that the size of that skilled labor force is inadequate. There can be little doubt that this shortfall is one of the most important issues to be addressed in the economic development program, and certainly the one with the greatest potential for an immediate, positive impact on the health of the local economy.

Fortunately, a significant move is underway to remedy at least partly this chronic shortage of skilled labor. The Rochester Institute of Technology is opening a major downtown Rochester post-high school industrial training center to be

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8. Foltman and McClelland, Eds., *New York State's Economic Crisis: Jobs, Income, and Economic Growth*, NYS School of Industrial and Labor Relations, Cornell University, 1977.
  9. This survey was conducted by a Joint Committee from industry, the Industrial Management Council, and the Rochester Institute of Technology. The committee was established in the summer of 1975 to determine how RIT could better meet the manpower needs of local industry. Unpublished RIT memorandum, December 19, 1976.

known as the School for Applied Industrial Studies (often referred to as a contemporary version of the original Mechanics Institute). This school, which will graduate up to 400 well trained persons per year, is endorsed in both the city and county Overall Economic Development Plans. Although the school, as proposed, cannot by itself meet even the current labor force replacement needs of local industry, it is a vital move in that direction. Given the broad public and private support that it deserves, the School for Applied Industrial Studies could be expanded in the future to further meet the needs.

This school and others like it (the Rochester Tool, Die & Precision Machining Institute, for example) are essential to the maintenance and growth of the Monroe County economic base. Not only do such schools meet a number of specific economic and social needs in the short run, but in the long run they will more strongly project, nationally and even internationally, the image of Monroe County as a center of high-technology industrial skills. And to the extent that they attract state and federal support, and become a mecca to students from outside the community, they will in themselves become a significant "export" industry.

No less important than skilled labor force training at the post-high school level is such training at the high school level. Technical training programs such as those offered through BOCES (Board of Cooperative Educational Services) and Edison Tech make a major contribution to the industrial development of the county and deserve full public support. BOCES will begin in 1980 a program in vocational agriculture in recognition that in today's complex technology there is as much a need for a skilled labor force in farming as there is in other industries. The new program should do much to assist Monroe County farmers in meeting their labor force needs.

There remains, unfortunately, some stigma attached to working in the skilled labor force, and the predominant emphasis in public education continues to be placed on preparing students for college rather than for entry into the skilled labor force. If we are to meet our needs for skilled labor, we will have to change our attitudes and come to recognize that there is as much dignity in the work of skilled labor as there is in the work of professionals and managers.

Still another concern in labor force training is the development of basic skills in reading, writing, and arithmetic. Students leaving the public school system with-

out these basic skills have encountered serious problems in being admitted into labor force training programs. The problem is particularly serious among minority groups.

### Higher Education

An effective economic development program must include a variety of activities other than those which serve the immediate needs of local industry. Many activities which are not addressed to the immediate needs of local industry have important economic effects, even though the effects are often indirect and cannot be measured. One such activity is higher education.

Monroe County is well endowed in colleges and universities. These institutions are not only physically attractive assets to the community, but they also offer a high-quality education which makes them known well beyond the limits of the community. They contribute to the image of the community, an important factor in economic development. Moreover, high-technology industries are finding that they simply cannot attract the best potential employees to areas which do not offer them opportunities for furthering their education. And, of course, higher education is by itself one of the major "industries" in Monroe County, with annual expenditures in excess of half a billion dollars. In addition to this sum, much of which is newly imported into the community through state and federal grants and students from outside the area, there are the dollars put directly into the local business economy by the students themselves.

By no means least important is the atmosphere of innovation and adaptability which pervades such institutions and which carries over into all levels of community life, including government. The trend among institutions of higher education has been to build closer ties to the community, making these institutions an ever more important part of the economic future. The trend is reflected in the increases in vocational education and the greater emphasis on post-graduate curricula which serve "later life" students. These changes demonstrate an awareness of changing demographics and a positive adaptation to the new "market." They also reflect a recognition that the future well-being of the academic community and the community at large is intertwined.

### Conferences, Conventions, and Tourism

The potential of Monroe County as a conference, convention, and tourism cen-

ter has not yet been fully realized. Indeed, these kinds of "export" industries, particularly tourism, have hardly begun to be exploited locally. Monroe County has many distinctive features and facilities that contribute to its attractiveness as a convention center and focus of tourism. A more aggressive exploitation of these activities would not only be of direct financial benefit, but would indirectly help to meet yet another need, the need for increased employment of unskilled labor. This need, which is stressed in the Overall Economic Development Plan (OEDP) of the city of Rochester, would be met through an expansion of jobs in such businesses as hotels, theaters, and restaurants. The new downtown convention facility, the festival site, the cultural district, and similar facilities proposed in the city OEDP would do much to improve employment opportunities for those with low levels of skill.

Perhaps the most promising tourism activity in Monroe County today is sport fishing. The salmonid stocking program in Lake Ontario has already resulted in an increase in tourism, yet the program is just getting underway. The potential for future development in this industry, however, is limited by the problem of inadequate public access to the lake for fishing, whether from a boat or from the shoreline. Monroe County government is in a position to help overcome this problem so that sport fishing may reach its potential.

## Agriculture

Despite the decline in farm acreage in Monroe County during the past several decades, farming remains an important land use. Farming offers not only attractive open space but also many economic benefits. It directly employs some 1,400 Monroe County residents. Indirectly it employs many more, not only the 4,600 residents who work in food processing industries, but the many others who supply farmers with materials and equipment and who distribute farm output. Monroe County farmers produce annually over \$26,000,000 in food products. The loss of certain of these products would mean higher food prices for local consumers.

The economic development program, therefore, must be concerned with protecting the farming industry. Local government has a major role to play through its powers to control land use development. County government also has a role to play through its advisory powers over local land use controls, its capital investments which influence the course of development, and its power to establish agricultural districts under the New York State Agriculture and Markets Law.

## Property Tax Structure

Economic development in Monroe County will require a cooperative attitude on the part of all its municipalities, arising out of their awareness that their own future welfare is tied directly to the economic health of the metropolitan area as a whole. It is unrealistic, however, to expect cooperation rather than competition so long as the municipality which acquires new tax base benefits from it exclusively. What is called for is a change in the property tax structure.

Such a change carries less of a threat than many municipalities would believe. An increase in the fiscal resources of municipal government does not necessarily make that municipality richer in the sense that its citizens live better. Often the contrary. Even more important, competition for increased tax base commonly leads to municipal development decisions that are undesirable for the metropolitan area overall. Such competition compromises the quality of metropolitan planning, and there is no way that bad planning can in the long run result in good economics.

At present the ad valorem property tax is the subject of considerable legal and ethical criticism as the preeminent basis for financing local government, particularly schools. Since changes in the present local property taxing practices may well be necessary in the near future, it is an appropriate time to consider taxing options which would not only alleviate current objections, but would also exert a positive influence on metropolitan development.

One such option is tax base sharing, a mechanism by which a municipality shares revenue from its new tax base with other municipalities in the metropolitan area. Tax base sharing may take many forms, one of which has been brought into effect in the Minneapolis-St. Paul metropolitan area. By the Minneapolis-St. Paul arrangement, which has attracted the interest of many other communities, revenues from 40% of any new nonresidential assessment are shared on a formula basis by all of the taxing jurisdictions in the Twin Cities area. Although this specific arrangement may not be suitable for Monroe County, tax base sharing or other measures to reduce intermunicipal competition for economic development must be seriously considered in the Monroe County economic development program.

To begin to address the issue of how intermunicipal competition for development may be reduced, the Monroe County Legislature has appointed two special



committees, the Intra-County Committee and the Intra-County Planning Committee. The committees will address such interrelated issues as tax-base sharing and the role of the county in controlling major development, and they will present their recommendations to the County Legislature on how the county should deal with these issues.

### Housing Supply

One of the important economic development needs which must be considered is the need for an adequate supply of housing. High housing costs can be a significant deterrent to both the expansion of existing industries within a metropolitan area and the attraction of new industries to the area.

During the late 1960's the housing supply in Monroe County was particularly tight, and inadequate housing was cited by local industrialists as a constraint to the expansion of their operations.<sup>10</sup> In more recent years the slow-down in the growth of the county has resulted in higher housing vacancy rates, alleviating to some extent the housing supply problem. Nevertheless, there will continue to be a need for providing adequate housing to accommodate growth in employment and the number of households.

The housing supply problem is addressed through the policies of the Housing Element. The policies focus in particular on the need for low- and moderate-income housing, but they also relate to the need for an adequate supply of reasonably priced middle-income housing. County government may play a significant role in keeping down the cost of middle-income housing through its review of development proposals and zoning and subdivision regulations. Such regulations can drive up housing costs by setting unnecessarily restrictive lot-size, floor-area, and design requirements.

### Final Word

As pointed out by The Urban Consortium, "the conscious intervention of local governments in their jurisdiction's economics is not, in most cases, a long-standing and well developed function. Traditionally, local government has often viewed economic development as a private sector responsibility . . ." <sup>11</sup> Certainly this is true

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10. Genesee/Finger Lakes Regional Planning Board, *Economic Prospects of Manufacturing* (Rochester: December 1970).

11. *Op. cit.*

in the case of Monroe County. Increasingly, however, we will be seeing county actions, both administrative and legislative, whose primary motive is economic development. We must recognize, though, that *every* action of county government has an economic dimension, veiled though it may be. Although the economic effects of the individual actions may be small, their combined effects are considerable. This means that economic development must be made a routine consideration in the decisions of Monroe County government.

## GOALS AND OBJECTIVES

**GOAL:** Strengthen the Monroe County economy by establishing the conditions which will be conducive to the growth of the full spectrum of existing industry in the county, the attraction of outside industries into the county, and the formation of new industries in the county.

**Objective:** Develop a community attitude which will be supportive of economic growth, and achieve wide community participation in the economic development program.

**Objective:** Develop and maintain effective communications between the governmental and business sectors of the economy.

**Objective:** Make available the public improvements, financial incentives, and sites which are needed for commercial and industrial expansion and relocation in Monroe County.

**Objective:** Expand the available supply of skilled labor through vocational and technical training programs at the high school and post-high school levels.

**Objective:** Provide professional management and technical career training at the college level.

**Objective:** Expand the supply of jobs requiring low levels of skill.

**Objective:** Reduce the overall tax burden, particularly the personal income tax.

**Objective:** Increase the flow of visitors to the area, whether short-term as in the case of tourists and convention goers, or longer-term as in the case of students.

**Objective:** Undertake an adequate and appropriate promotional effort to enhance the growth and well-being of existing local industries.

Objective: Undertake an adequate, but not excessive, promotional effort outside the Monroe County area, with a focus on attracting outside suppliers to Monroe County industries to locate facilities in the county. (Note: Efforts to attract to Monroe County businesses in existence elsewhere are not considered to have a high potential for success.)

Objective: Maintain the agricultural industry by minimizing the adverse effects of urbanization on farmland.

Objective: Support the establishment of historic preservation districts.

(Comment: Such districts indirectly benefit the economy by contributing to the quality of life of an area and by making the area more attractive to outside visitors.)

## POLICIES

To meet the above goals and objectives, Monroe County government, including the County Legislature and county departments, agencies, and authorities, should be guided by the following policies.

- Monroe County should establish and maintain an ongoing, long-term economic development program for the county and should provide adequate funds for carrying out this program.

(Comment: The county has initiated such a program through its funding of economic development activities carried out by the Rochester Area Chamber of Commerce. It is important that the county sustain its commitment to such activities over the long term.)

- In its economic development program, Monroe County should give primary emphasis to encouraging the retention and expansion of existing industry in the county and secondary emphasis to attracting new industry into the county.
- Monroe County should encourage, as a preferred option, the expansion and modernization of commercial and industrial facilities in their present locations in the county. Where this is not appropriate, the county should encourage relocation into an existing available facility in the county. Where neither alternative is feasible, the county should encourage the firm to relocate on a new site in the county, provided that the new site is consistent with the Land Use Element of the Comprehensive Development Plan and with local plans.
- Monroe County should provide, within its capability, the fiscal incentives and public improvements which are necessary for an industry to remain and expand in the county.
- Consistent with the Land Use Element, Monroe County should encourage the private assembly development, and promotion of commercial and industrial sites, particularly industrial parks. The county should provide the capital improvements and fiscal incentives which are needed to assure an adequate inventory of such sites, and, if necessary, it should set up a quasi-public organization for overseeing the development of such sites.

- Within the Monroe County Community Development (CD) Program there should be instituted a program to provide grants or loans to improve small businesses, particularly in village centers.

(Comment: This policy is also contained in the Land Use Element.)

- The Monroe County Legislature should maintain at least its present level of financial support for educational, recreational, and cultural activities in the county. Where additional fiscal resources become available the Legislature should increase its support for such activities in recognition of their positive impact on economic development, provided that such an increase is consistent with the objective of maintaining a tax structure which is supportive of economic growth.
- The Monroe County Legislature should foster a more positive community attitude toward economic development through sponsoring cultural events, financing promotional campaigns, and undertaking other activities which lead to an improvement in the self-image of the community.
- The Monroe County Legislature should promote the convention, conference, and tourism industry as an important export sector of the local economy. The Legislature should support this industry by such measures as providing financial assistance for promotional brochures, sponsoring cultural events which attract people from outside the county, and acquiring and developing public access sites for fishing, particularly on Lake Ontario.

(Comment: One of the economic benefits of an expansion in the convention, conference, and tourism industry is an increase in jobs for the unskilled labor force.)

- Monroe County should encourage the expansion of employment opportunities for the unskilled labor force. To expand such employment opportunities Monroe County should promote tourism and related industries and should take full advantage of CETA and other federal programs to place unskilled persons in public employment for the purpose of training and learning job discipline.

- Monroe County should support public and private technical and career educational programs and facilities. Such support should be given in part by assuring that adequate attention is devoted to vocational education in the curriculum of Monroe Community College.
- To maintain agriculture as an important segment of the local economy, Monroe County should follow the agricultural protection policies in the Land Use Element.

(Comment: There are several such policies. Included are policies relating to the establishment of agricultural districts by the Monroe County Legislature, the development of county capital improvements, the conduct of development reviews by county agencies, and the rendering of county services to municipalities in the preparation of land use regulations for agricultural areas.)

- Monroe County permit-issuing agencies should follow a policy of streamlining permit application requirements and of reviewing applications as expeditiously as possible. Before submitting new or revised regulations to the Monroe County Legislature for adoption, these agencies should obtain a thorough review of the regulations from the business community.
- The Monroe County Legislature should encourage the State of New York to modify or expand its industrial tax abatement and financial incentive programs, based on the recommendations of the local agencies administering these programs.
- The Monroe County Legislature should bring into effect programs which will reduce the competition among municipalities for new tax base. Among the alternatives that should be considered are a tax base sharing program, the increased consolidation of local public services at the county level, and the promotion of changes at the state level in the way public education is financed.
- Monroe County should work to bring about an aggressive regional economic development program and should cooperate in its economic development efforts with other counties in the region.

(Comment: The difficulties in achieving full cooperation in the economic development efforts of the various counties within the region must be recognized. In certain areas of economic development, such as the promotion of the agriculture, fishery, and tourism industries, a high level of cooperation is clearly feasible. In other areas of economic development a high level of cooperation may be very difficult to achieve, but it should still be the basic policy of the county to attempt to achieve such cooperation.)

(Comment: This policy should be carried out largely through the participation of Monroe County or the Genesee/Finger Lakes Regional Planning Council. The council has been designated by the Economic Development Administration (EDA) as an Economic Development District, and it will soon begin to undertake an economic development program under EDA funding. This program, to be successful, will require strong support from Monroe County.)

- In its participation in the programs of the Economic Development Administration (EDA) Monroe County, through its Economic Development Planning Committee, should adopt a policy of giving strong overall direction in defining the economic development program and the projects to be funded.

(Comment: The county has been designated as a Redevelopment Area under the EDA program, and, as indicated in the above comment, it has also been designated as part of an Economic Development District. These designations make the county eligible for public works grants, business loans, and other incentives for economic development. Many counties which have participated in the EDA program have passively awaited applications for EDA funds from local governments and private interests and have forwarded such applications indiscriminately to EDA for funding. The above policy calls instead for a more aggressive approach where the county exerts strong leadership in defining the economic development program and the projects to be funded. Such an approach is apt to bring more EDA funds into the county.)

- The Monroe County Legislature should sponsor foreign trade zones and should,



if necessary, provide funds for the preparation of an initial application to set up a foreign trade zone.

- The Monroe County Legislature should support the basic concept of the Rochester Downtown Development Plan, as well as other plans to improve urban centers in the county, and should assist in implementing such plans through the County Capital Improvement Program. Monroe County should encourage one-of-a-kind facilities which serve the entire county to locate in downtown Rochester where this is feasible.

(Comment: This policy is given in the Land Use Element. It is restated here because economic growth is so dependent on the vitality of urban centers.)

- Monroe County should explore with the City of Rochester the potential of entering a cooperative industrial renewal program which would help to meet the needs of city industries for the acquisition of adjacent land for expansion.
- The Monroe County Legislature should establish a program for welcoming and orienting to the Rochester area corporate executives who move into the area.
- Monroe County should review its land holdings acquired through tax foreclosure to determine whether any county-owned land is suitable for industrial and commercial development consistent with municipal and county plans.
- The Monroe County Legislature should support a system of public transportation sufficient to assure that Monroe County workers can use public transportation to reach at least the major employment centers in the county.
- The Monroe County Legislature should encourage further reduction in New York State business and personal taxes, while at the same time it should work toward maximum efficiency in local government.

## IMPLEMENTATION ACTIONS

The following gives some of the general actions which would be required to implement the goals, objectives, and policies set forth previously. Most of the actions are stated in general terms and are derived directly from the previous policy statements. The listing is not intended to be complete. A more complete listing of more specific actions could be compiled at a later date, once there is general agreement by the Monroe County Legislature on the basic directions to be taken in this economic development element.

### A. County Legislature Actions

1. Adopt this economic development element as part of the County Comprehensive Development Plan to set an overall policy framework for economic development activities in the county.
2. Fund an ongoing long-term economic development program which carries out the policies in this economic development element.
3. Provide fiscal incentives and public improvements to retain industry in the county.
4. Provide public improvements for industrial parks.
5. If necessary, set up a quasi-public organization to oversee the development of industrial parks.
6. Approve a business improvement grant or loan program as part of the Community Development Program.
7. Provide funding for educational, recreational, and cultural activities at or above present levels, with appropriate consideration of inflationary effects.
8. Fund brochures to promote the county economy.
9. Sponsor cultural events to improve the self-image of the community.

10. Acquire and develop fishing access sites to Lake Ontario.
11. Approve the formation of agricultural districts.
12. Request the State of New York to modify or expand its industrial tax abatement and financial incentive programs as appropriate.
13. Further consolidate local public services at the county level for economies of scale, efficiency, and equity.
14. Reduce the local property tax burden by seeking increased state funding of public education at levels consistent with a sound overall state fiscal program.
15. Study and develop programs which implement the concept of more equal distribution within the metropolitan community of the tax benefits of economic development.
16. Support an economic development program carried out under the Genesee/Finger Lakes Regional Planning Council.
17. Sponsor foreign trade zones, and, if necessary, fund the preparation of an application to initiate such a zone.
18. Fund county facilities and other features of the Downtown Development Plan.
19. Endorse and support the School for Applied Industrial Studies.
20. Seek further reduction in New York State business and personal taxes to the extent possible within the context of a sound overall state fiscal program.

#### B. County Agency Actions

1. Agencies providing capital facilities: provide facilities to serve industrial parks and existing industries.

2. Community Development Administration: develop a business improvement loan or grant program.
3. Monroe Community College: review its vocational training programs with the business community and revise these programs as appropriate.
4. County administration: explore with the City of Rochester administration the potential of undertaking a cooperative program to help city industries acquire adjacent land for expansion.
5. County administration: take full advantage of employment opportunities offered by CETA and other employment subsidy programs.
6. County administration: provide sufficient staff support to give strong countywide direction to programs funded by the Economic Development Administration.
7. County administration: bring about the preparation of a foreign trade zone application.
8. Agencies providing capital facilities: provide the facilities necessary for implementing the Downtown Development Plan.
9. Regulatory agencies: review permit applications expeditiously; review regulations to make sure that they are not unduly cumbersome; submit any new or revised regulations to the business community for review.
10. Department of Planning: Assist municipalities in identifying appropriate sites for industrial and other economic development activities and in preparing zoning provisions for such sites.
11. Development review agencies: encourage commercial and industrial activities to locate in areas which are consistent with the Land Use Element.
12. Development review agencies: discourage intensive development in agricultural areas.

13. Department of Planning: work with municipalities in rezoning agricultural areas to reduce the density of potential development.
14. Agencies providing capital facilities: keep major capital improvements out of agricultural areas.
15. County administration: develop and submit to the County Legislature a proposed program for welcoming and orienting to the Rochester area corporate executives who move into the area.

COMMUNITY CHECK LIST  
FOR INDUSTRIAL SITE SELECTION

GENERAL ELECTRIC COMPANY

1. Are the *attitudes of state and local government* favorable to a new industry and generally conducive to community progress?
  - a) Tax rates and structure
  - b) Assessment practices (residential and agricultural versus business and industry)
  - c) Right-to-work legislation
  - d) Zoning legislation and practice
  - e) Extent of business representation on local government boards and councils
  - f) Workmen's and unemployment compensation programs
  - g) Strong nonpolitical local leadership
  - h) Possible existence of hidden power structure
  
2. Will the *school system* be acceptable to management employees transferred into the community?
  - a) Public schools
  - b) Parochial schools
  - c) Technical schools
  - d) Colleges - community (2 years)
  - e) Colleges - liberal arts (4 years)
  - f) Colleges - engineering
  - g) Adult opportunities for advance degrees
  - h) Condition and sophistication of school facilities and equipment
  - i) Teacher/pupil ratio
  - j) Percentage of teachers holding degrees
  - k) Average expenditure per pupil
  
3. Is the community structured to furnish an acceptable *level of services* to a new industry?
  - a) Police (performance during labor disputes)
  - b) Fire protection and rating
  - c) Sanitary sewers
  - d) Storm sewers
  
4. Are the *social, cultural, recreational, and shopping facilities* adequate to support a quality of life that will attract employees to the community?
  - a) Shopping - downtown and suburban
  - b) Recreational facilities
  - c) Social and fraternal organizations
  - d) Cultural and athletic activities
  - e) Wide choice of religious facilities

- f) Hospitals and special care facilities
  - g) Hotel and meeting accommodations
  - h) Attractive, viable central city
  - i) Strong social service organizations
  - j) Good support of community service fund(s)
  - k) Social acceptance of "outsiders"
5. Are there aspects of the community that might interfere with the industry's *minority employment* objectives? Is there evidence of unusual racial tension or failure by the community to deal realistically with minority grievances?
- a) Identification of significant ethnic and/or minority groups in the community
  - b) Leadership of above groups
  - c) Reaction of community and group leadership to volatile or potentially volatile situations
  - d) Representation of ethnic groups and/or minorities in local police, fire, school board, and community leadership
  - e) Community acceptance of equal opportunity employment
6. Does the community contain or have convenient access to the *supportive services* required for day-to-day plant operation?
- a) Material suppliers (new as well as traditional sources)
  - b) Machine shops
  - c) Tool and die shops
  - d) Plastic and metal working
  - e) Cleaning services and employment agencies
7. Are there *residential neighborhoods* of the quality normally desired by the levels of technical and management personnel who will staff the plant? Does the community have the capacity -- contractors, mortgage lenders, developed land, etc. -- to supply housing to General Electric's incoming employees in a reasonable time and at reasonable prices?
- a) Number of homes (by price range) in multiple listing service
  - b) Is speculative residential construction common?
  - c) Availability of developed residential sites
  - d) Comparison of prices with "bench mark locations"
  - e) Typical architecture and type of construction
  - f) Availability of home financing
  - g) Rental units and apartments
8. Does it appear that the proposed plant can conform to its hiring schedule and build a *labor force* without compromising its skill and productivity requirements?
- a) Size of labor market, SMA
  - b) Commuting patterns of labor force
  - c) Unemployment and under-employment
    - Skilled
    - Unskilled but trainable

- d) Entering labor force from local school system
  - e) Number and composition of registrants with employment security office
  - f) Acceptable attitude
    - Absenteeism
    - Turn-over
    - Productivity
9. Does the community offer vocational and industrial *training programs* which will be beneficial to the proposed plant?
- a) Local vocational and technical schools
  - b) State funding of vocational training programs
    - State vocational school system
    - In-plant training programs
10. Proprietary question(s) relating to specific *employee relations considerations*.
11. Are there union practices, chronic shortages of material, an inadequate number of general or sub-contractors, or similar problems peculiar to this community which might adversely affect the *design and construction phase of the project*.
- a) Experience of several recent major construction projects
12. Is the community served by *transportation and utilities* adequate to support the industry?
- a) Natural gas
    - Assured
    - Interruptable (historical frequency of interruptions)
  - b) Electric power (generation source, reliability, and rate structure)
  - c) Motor freight
  - d) Commercial airlines
  - e) Railroads
  - f) Access to deep-water port or maintained barge channel
  - g) Facilities for private aircraft
  - h) Interstate highway system
  - i) Typical shipping time to customer and supplier locations
  - j) Availability of containerized or piggyback facilities
  - k) Water (availability and chemical analysis)
13. Are *wage rates and benefits* at a level which will enhance the industry's competitive position in the market place?
- a) Rates and benefits of other industries
  - b) Union contracts of other industries
  - c) Relative cost of living for the community
  - d) Incentive programs or historical aspects which place other industries in a preferred position when competing for labor
14. How will state and/or local *environmental considerations* affect site selection, cost of plant construction, and operating cost?
- a) See the attached "Environmental Questions for Community Profile."



ENVIRONMENTAL QUESTIONS  
FOR COMMUNITY PROFILE

A. General

1. What major industries are located in the area? What is the nature of their operation, e.g., chemical manufacturing, metal fabrication, metal finishing, textiles?
2. Does the community have an environmental commission? Who is the primary contact person?
3. Does the state or community require an environmental impact statement (EIS) for new projects?

B. Water

1. What receptors are available for receiving plant wastewaters?
  - a) sanitary sewer, storm sewer, river, stream, lake
2. Does the community have a Publicly Owned Treatment Works (POTW)?
  - a) What is the name of the authority?
  - b) Has the authority issued a sewer ordinance?
  - c) Are there numerical limitations imposed on specific pollutants discharged to the POTW?
  - d) Does the POTW have a National Pollution Discharge Elimination System (NPDES) or state discharge permit for its wastewaters?
  - e) How many industries discharge wastewaters to the POTW? What is the magnitude and nature of these discharges?
  - f) How much can the POTW now accept?
  - g) Does the POTW plan to expand its treatment capacity in the next five years? How does it plan to recover its capital investment from industrial users, i.e., does it have an accepted Industrial Cost Recovery (ICR) plan?

C. Air

1. Does the community or state limit the nature and composition of fuels burned by industrial plants, or any other emissions?
2. Have there been any citizen complaints related to odors, visible emissions, or other environmental impacts from industrial plants?
3. Do you know of any publicized air pollution incidents in this area?

4. What is the status of the community with respect to the attainment of each of the six national ambient air quality standards?

D. Solid Waste

1. What types of facilities are available for solid waste disposal, e.g., open dumps, sanitary landfills, incinerators?
2. Are any of these landfills designed for proper handling of chemical sludges, solvents, oil, and other hazardous liquid wastes?
3.
  - a) Are these landfills publicly or privately owned or operated?
  - b) Is suitable land available for landfill expansion?
  - c) Does the proposed GE plant site include enough suitable land for landfill construction on the premises?
4.
  - a) Has any regulatory agency imposed limits on what materials may be incinerated, or on the emissions from the incinerator(s)?
  - b) Are any operating under state or local permits?
  - c) What happens to incinerator residues or sludges?

## FINANCIAL RESOURCES

Note: This appendix gives a summary of the financial and tax incentive programs available to industry in Monroe County. The summary is taken from the Monroe County Overall Economic Development Plan.

The Rochester Metropolitan Area is able to provide a well balanced program of financial assistance. The broad range of programs available to firms expanding or relocating in this area includes financing available through conventional banking sources, the Monroe County Industrial Development Corporation, and the County of Monroe Industrial Development Agency. In addition, the Metropolitan Rochester Development Council is equipped to assist firms with loans for New York Business Development Corporation and the Small Business Administration funds.

### Conventional Financing

The Rochester community is able to provide a variety of banking needs through the ten commercial banks, three savings banks, and six savings and loan associations (in the Rochester area)....

### Monroe County Industrial Development Corporation

The Monroe County Industrial Development Corporation is a nonprofit organization formed by the Rochester Area Chamber of Commerce, Inc. to assist firms in obtaining expansion loans through federal and state industrial expansion financing programs. The corporation may assist in borrowing low-cost, long-term second mortgage funds for up to 40 percent of the project cost through the New York Job Development Authority.

### County of Monroe Industrial Development Agency

The County of Monroe Industrial Development Agency (COMIDA) is a corporate government agency and a public benefit corporation of New York State. It is authorized to finance the acquisition, construction, or reconstruction of manufacturing, warehousing, research, commercial, industrial, and pollution control projects.

In a typical project the firm is appointed the Industrial Development Agency's agent for the purpose of construction. Upon completion of the project, it is leased to the firm for a term equal to the term of the agency's bond issue, which generally ranges from 10 to 25 years. The annual lease payments are set at an amount sufficient to amortize the bonds during the term of the lease. The agency makes interest payments on the bonds semiannually and principal payments annually. The lease company also pays for all the operation and maintenance expenses for the projects, so that the lease is, in actuality, a "net-net" transaction from the agency's viewpoint. The security for the agency's bonds is a first mortgage on the project and an assignment of the agency's rights under the lease with the occupant. Neither the state nor the county is in any way liable.

Financing a project through the use of County of Monroe industrial revenue bonds provides a number of financial advantages for the company.

1. It receives 100% financing for land, building, and equipment costs together with incidental costs such as architectural, engineering, legal, and financial expenses.
2. Because the interest of County of Monroe industrial revenue bonds is tax exempt, the rate of interest is generally 1-1/2% to 2% less than conventional financing.
3. The County of Monroe enjoys a tax-exempt status on the purchase of materials and equipment during the construction period.
4. As a tax-exempt entity, the agency is not required to pay real estate taxes. However, the agency has developed a tax policy which calls for an in-lieu-of-tax payment to the county and town at 80% of the established assessment.

### Small Business Administration

The Small Business Administration (SBA) is a permanent independent government agency created by Congress in 1953 to help small businesses grow and prosper. Through its network of field offices in principal cities throughout the country the SBA offers small businesses financial assistance including lease guarantees, management assistance, aid in obtaining government contracts, counseling services, and many publications covering successful practices in every small business field.

Most small independent businesses with a few exceptions are eligible for SBA assistance. For purpose of making loans, SBA defines a small business as one that meets these general size standards:

- Wholesale - annual sales from \$5 million to \$15 million depending on the industry.
- Retail or service - annual sales or receipts from \$1 million to \$5 million depending on the industry.
- Construction - annual sales or receipts of not more than \$5 million, averaged over a three-year period.
- Manufacturing - from 250 to 1500 employees, depending on the industry.

Any small businessman with a financial problem may apply to SBA for advice and assistance. If the businessman is unable to borrow from conventional sources on reasonable terms, the SBA may be able to help. The agency will consider either participating in, or guaranteeing, up to 90% of a bank loan. If the bank cannot provide any funds, and if federal funds are available, SBA will consider lending the entire amount as a direct government loan. However, most SBA loans are made in participation with banks. SBA loans may be used for:

1. Business construction, expansion, or conversion.
2. Purchase of machinery, equipment facilities, supplies, or materials.
3. Working capital.

SBA can make direct loans up to \$100,000 unless funds are not available due to federal fiscal restraint. It can participate in loans with private lending institutions with each putting up part of the funds. SBA's share of the participation loan may not exceed \$150,000.

SBA can also guarantee up to 90% (or \$350,000, whichever is greater) of a bank loan to small firms for the same purposes as direct and participation loans. The interest rate is set by the banks.

In addition, the SBA financial assistance programs include loans to state and local development corporations for plant expansions and economic opportunity loans for minority enterprises. Each of these programs requires the business firm to meet a specific set of requirements which dictate which firms are eligible for assistance under these loan categories.

#### New York State Urban Development Corporation

The New York State Urban Development Corporation (UDC) is still an existing operation with all of its unique powers available. The Rochester Area UDC has an active economic development program in its local office, and development of four major industrial projects is at or nearing completion. Although it is severely limited in its bonding and financing capacity as a result of its recent difficulties, its use as part of a financing program is a very real asset because of the unique ownership and leasing arrangements that can be put together through use of its other powers. As a result, the total package can be an attractive one if designed properly.

#### New York Job Development Authority

The New York Job Development Authority (JDA) is a public benefit corporation, a state agency created for the purpose of increasing job opportunities by assisting in the financing of the construction of new industrial or research buildings or for the acquisition, expansion, or rehabilitation of existing industrial plants in New York State communities.

JDA is authorized to make low-cost, long-term second mortgage loans up to 40% of the cost of land and buildings and may also include necessary costs for demolition of old structures, land improvements, and installation of utilities.

The program requires that a local nonprofit industrial development group such as the Monroe County Industrial Development Corporation...serve as the channel for JDA funds.

JDA real property loans must be secured by mortgages which may not be junior to first mortgages greater than 50% of the project cost. When added to a first mortgage of 50% from conventional lenders such as commercial and savings banks plus 10% from the manufacturer or a local source, a 90% to 100% financial package is usually available at an attractive composite interest rate.

JDA is also authorized to make loans up to 40% on an equal lien participation basis in a total loan not to exceed 90% of the cost of machinery and equipment to be acquired and installed in a building to be constructed with JDA financial participation.

Total participation of the authority in a project may not exceed \$1 million.

## New York Business Development Corporation

The New York Business Development Corporation (NYBDC) is organized through the combined cooperation of a group of civic-minded stockholders, members of the financial community within the state, and permissive legislation. The corporation's aim is to make funds available to a wide assortment of industries without relying on the switch of government support. NYBDC is a vehicle for the placement of private funds with industry within New York State, when financing requirements may be beyond the limitations of conventional bank finance. In essence, the corporation bridges the gap between short-term lending and equity financing.

Loans generally range from four to ten years in term and from \$25,000 to \$500,000 in amount. Loans may be used for working capital, plant expansion, new equipment, or debt recasting. Established firms and new venture may be eligible provided that the loan funds will benefit the economy of New York State.

Firms interested in NYBDC financing should initiate an informal application through their own bank or contact a member of the NYBDC Regional Loan Committee. After formulating requirements through the informal meetings, a formal application may be filled directly with NYBDC. A filing fee of \$75 plus \$1 per each \$1,000 of the loan request must accompany the application. All loan applications must be approved by the Regional Loan Committee and the Board of Directors, and such approval must follow a plant visitation and evaluation by a member of the NYBDC staff.

### County Debt Capacity

In order to control the amount of debt which a county may incur, the New York State Constitution has established a debt limit equal to 7% of the five-year average assessed full valuation of real property in the county. Sewage and net revenue producing projects, however, are exempt from the limit.

A measure of a municipality's capacity to carry debt is the ratio of its payments on outstanding debt ("debt service") to its operating costs. The Municipal Finance Officers Association uses a ratio of 10 percent as a reasonable guideline, 15 percent as a sign for concern about the municipal financial condition, and 20 to 25 percent as a level over which debt service should never go. Because the measure is usually applied to cities, Monroe County figures must be adjusted to permit comparison with these guidelines. Therefore, Pure Waters and Social Services debt service and operating costs are excluded.... With current obligations alone, the county approaches an area of fiscal concern in 1979-1980, and it crosses the 10 percent guideline from 1978-1982 when debt service on the 1977-1982 capital improvement program is added to current obligations.

## Appendix C

### CONSIDERATIONS IN INDUSTRIAL LOCATION

Note: This appendix presents tables from a study by Foltman and McClelland, Eds., entitled *New York State's Economic Crisis: Jobs, Income, and Economic Growth* (NYS School of Industrial and Labor Relations, Cornell University, 1977). The study involves interviews with 318 firms in New York State. The tables presented indicate the factors that would be important to New York State industries if they were to relocate and the factors which they believe to be most disadvantageous about a location in New York State.

**The Eighteen Factors Most Often Selected by  
Business Leaders as Most Important in Locating a Firm**

Factors	Number of Times Listed and Order of Listing						Weighted Total(a)
	Total	1st	2nd	3rd	4th	5th	
Supply of skilled labor	120	82	14	7	10	7	514
Proximity to markets	80	25	13	14	16	12	263
Productivity of labor force	77	11	29	24	6	7	262
Supply of unskilled labor	68	20	32	4	9	3	261
Level of state individual income tax	62	13	10	13	15	11	185
Level of wages plus benefits	61	11	16	21	11	2	206(b)
Level of state corporate income tax	52	5	7	9	15	16	126
Attitude of organized labor	48	4	15	12	11	6	144(b)
Attitude of state government leaders	48	11	8	4	9	16	133(b)
Access to truck transportation	40	4	5	12	8	11	103
Proximity to raw materials or supplies	38	7	7	11	8	5	117(b)
Attitude of state legislators	29	10	4	4	3	8	92
Level of local property tax	29	3	3	4	12	7	70
Level of state corporate franchise tax	27	4	6	7	7	3	82
Availability of state financial incentives	27	3	5	5	5	9	69
Attitude of local government leaders	27	2	6	2	6	11	63
State unemployment insurance laws	26	7	8	5	5	1	93(b)
Level of county or city sales tax	26	3	1	6	5	11	69

a. Extra weight is given to item depending on order listed by the respondent. If listed first each mention is given a value of 5; second, 4; third, 3; fourth, 2; fifth, 1.

b. If weighted total is used for ranking, these items move up in rating.

Note: Each of 318 respondents listed up to 5 factors.



**Locational Factors Most Often Selected by Business Leaders  
as Unfavorable for Operating a Business in New York State**

Factors	Number of Times Listed and Order of Listing						Weighted Total(a)
	Total	1st	2nd	3rd	4th	5th	
Level of state individual income tax	124	25	25	37	21	16	334
Level of state corporate income tax	95	28	18	13	24	12	311
State unemployment insurance laws	83	12	32	9	15	15	260
Level of local property tax	65	15	12	10	17	11	198
Level of county or city sales tax	59	5	12	19	11	12	164
Level of wages plus benefits	58	24	13	8	5	8	214 (b)
Level of state sales tax	56	11	12	17	6	10	176 (b)
Attitude of organized labor	49	12	9	7	9	12	146
State court decisions on workmen's compensation	49	9	7	15	5	13	141
Attitude of state government leaders	48	11	17	7	5	8	162 (b)
Attitude of state legislators	39	18	3	6	7	5	139
Freedom from crime	36	9	4	11	6	6	112
Productivity of labor force	31	13	7	5	1	5	115 (b)
Level of New York City individual income tax	30	3	14	3	8	2	98
Cost of electricity (c)	29	3	5	8	8	5	80
Supply of skilled labor	28	13	3	10	0	2	109 (b)

a. In weighted total, extra weight is given to item depending on order listed by the respondent. If listed first each mention is given a value of 5; second, 4; third, 3; fourth, 2; fifth, 1.

b. If weighted total is used for ranking, these items move up in rating.

c. If the six items relating to "energy," that is, the cost and availability of electricity, natural gas, and oil, are combined, this factor moves to fourth place, with total mentions of 76 and a weighted total of 225. Cost of electricity, availability of natural gas, and cost of oil are most often mentioned.

Note: Each of 318 respondents listed up to 5 factors.