# *Water Resources & the Regional Economy*

## Rapid Problem Statements

**Part III**
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## The Importance of Water Availability as a Regional Economic Asset

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**Introduction**

- I would like to thank all planning partners for this timely conference and the extra effort to engage the economic development community is especially appreciated.
- Today, dialogue is vital. There is room for differences, different roles and additionally, advocacies are essential. However, optimal policy may not be mid-way between extremes.
- Our task is to touch on availability of water and water infrastructure as an economic asset, and indeed a necessity for the quality of economy that we want.

**Regional economic development context for water strategy**

- It is important to look at retaining and growing quality jobs as a critical policy priority.
- It is also vital to look at retaining and growing tax ratables as a critical policy priority.
  - Addressing the fiscal crisis necessitates tax base growth.
- There are implications of being serious about economic development and it is important to:
  - Recognize business as a partner, as a source of expertise and as a progressive resource. It is important not to have a fawning attitude toward business, but a respectful, appreciative, businesslike one.
  - Take the need for an expeditious process seriously.
  - Recognize the need to battle for jobs competitively including incentives, but mainly with user friendly tone and process.
  - Identify where we want to grow, not just where not to grow.
  - Give priority in growth areas by providing human and physical infrastructure that business needs, including water infrastructure.
  - Offer "shovel-ready" sites on a *variety of scales* and with the quality and quantity of infrastructure needed by the business sectors targeted. "Small business" is critical, but that term is relative and there is a need for medium to large size firms to serve as "anchors."
  - Be wary of processes that look good on paper but translate in practice to protracted non-decisions that mean we have *de facto* decided that economic development is simply not a real priority.

- A few relevant facts: From a business perspective this is a high cost, high tax state/region
- The Hudson Valley is rich in potential and also rich in assets. This includes location, (we are a two-way gateway between NYC and the upstate), talent, access to money, markets, people and quality of life.

**Water infrastructure needs for key regional economic sectors**

- Tourism and Recreation:
  - Much of water resources inventory is in place, but some of it could use more public access, which implies management resources.
  - There is a huge potential for marketing recreational opportunities such as the Walkway Over the Hudson, skiing, etc.
  - This sector is of great importance in fiscal, employment, and proprietorship terms *but*, average wages are generally low and often seasonal. A serious economic development strategy can't be built on this sector alone. Also, beware of setting up a false dichotomy between tourism and other sectors, as they reinforce each other and we need a diverse economic base.
- Agriculture Business:
  - This is a vital sector in its own right, poised for resurgence through buying and distributing locally. It also touches on diverse water needs.
  - Growing new forms of intensive agriculture such as hydroculture, aquaculture and industrial scale green houses needs infrastructure, including water infrastructure.
  - As with tourism, this sector is vital and supports a visitor economy, *but* an entire strategy can't be built on agriculture due to low average wages and the seasonal nature of the industry. It is important to note that there are exceptions and circumstances are ever changing, but current facts remain.
- Manufacturing and technology driven business:
  - This is a vital sector that is still robust, usually more capital intensive, technology driven than historically driven, and often export oriented. The key is that it adds value and creates wealth in a uniquely valuable way.
  - Water and waste water critically are important. The level and volume depends on product and process.
  - State of art facilities must sometimes be newly constructed, though redevelopment of existing buildings is ideal. For example, *we need to have greenfield development if we're serious* about high tech/green tech manufacturing.
- Other/mixed use and residential:
  - We need to be ready to think creatively and flexibly, while adhering to critical principles and policies.

**Observations on water strategy and economic development**

- Consensus for smart growth principles in general – it is important to:
  - Avoid subsidizing sprawl by adding redundant infrastructure and development versus planned, more compact development.
  - Protect environmental resources and encourage sustainable development and practices.
  - Encourage use and improvement of existing infrastructure.
  - Reduce dependence on automobiles.
  - No one in the economic development community expects a blank check for businesses.
  - No one in economic development around here is still chasing smoke stacks! Do we seek larger projects sometimes? Yes. But most projects are scaled in the dozens, scores, or low 3 digit numbers of jobs.
- There is division over how to implement smart growth in specific cases:

- For example, imagine a very "green" green field project with hundreds of acres that conserves most of the site. It is sustainable and environment-friendly in its methods and infrastructure systems, and is a location for renewable energy products and services, and has great potential for drawing hundreds of high paying jobs and creating substantial net fiscal revenues for the community. Suppose that without this project, the site would almost certainly be developed for sprawled residential estates. However, the site needs water and waste water infrastructure and some might say it doesn't meet smart growth criteria as and should not be eligible for state grants (but it is important to note that the law does allow exceptions to the criteria). Others (myself included) might argue using smart growth criteria to stop a project like this might make some "feel good" but it might well have the direct affect of exacerbating sprawl and blocking an opportunity for creating good jobs and fiscal health.
- An example of successful consensus is the King's Highway Corridor in Saugerties. Sewer and water infrastructure were developed in an extant industrial zone, there are aquifer protection benefits to the project as well as jobs benefits: strengthening retention, expansion, and recruitment of industry. There is also generic environmental impact statement (GEIS) process, with Town, County, State, and Federal roles. Includes Ulster County bonding ($1 M), partnering among Ulster County Planning Dept., Ulster County Development Corp., Town of Saugerties, elected officials, including Ulster County Executive and Ulster County Legislature… Expeditious? No. Got it done? Yes.

- There is a need to balance priorities and make judgments – not risk free (which is a recipe for paralysis) but wise risk management (not just a euphemism for "trust me").
- The Industrial Development Agencies are a potential tool to use in creative financing of projects and infrastructure. Industrial Development Agencies can structure PILOTs that act like TIFs. Urge retention of Industrial Development Agencies as a key tool for counties, communities, versus concentrating all incentives/financing decisions at regional or state level (there is some pressure to do that, which is another topic, but relevant to economic development and infrastructure projects).
- We need an expeditious process. If we use smart growth just as a weapon to block or delay job-creating projects, we will be all "smart" and no "growth" and the people who suffer the most will be the people who are not at this conference, the unemployed, the underemployed, the working poor.

**Conclusion**

- The balancing question and challenge regarding regional water and infrastructure strategy is, are we serious about smart growth? On one hand, smart growth doesn't mean developers and businesses just adopting the rhetoric, the buzz words, and the brand of smart growth without the substance. On the other hand, smart growth doesn't mean being for jobs in the abstract, but against it in all specific instances in practice and declining to support meaningful scale of development needed to be serious about the growth side of smart growth.

# The Importance of Watershed Protection for Ensuring Clean & Abundant Water

*James Tierney*

*Assistant Commissioner for Water Resources, NYSDEC*

- Access to the Hudson River and local waterfronts is an important step in conservation. People need to be able to see and experience water resources.

- We want communities that are sustainably using resources but are also fostering intelligence and innovation – places that are "happening," where young people want to be.
- In Texas, they were planning to put the San Antonio River into a culvert and surround it with impervious surfaces, but instead they created the San Antonio River Walk. Although the river is relatively small, the River Walk is now the second largest tourist attraction in Texas and a centerpiece of the city, with hotels, events, and people.
- Contrast this with the city of Albany, which owes its existence to its location on the Hudson River, a waterway which has been important through its history. Today, people are cut off from the river by 13 roadway lanes (from on-ramps, highways, and so on) and two railroad tracks. While there is a waterfront park, it is loud and separated from the rest of the city. It is difficult to bring people down to the river and work on potential projects.
- For all river cities, access to the Hudson also has environmental justice implications, as children and poorer neighborhoods are cut off from the experiences that come from being near the river.
- Manhattan's West Side is a good example of ways to increase river access for all residents. It now has an accessible walkway and bikeway, with hundreds of feet to walk and bike. There are places where traffic stops and people can cross the roads to get to it. The value of property along this 4.5 mile stretch has increased as a result.

**Water resource management challenges**

- Shifting gears to our management of water resources, there are many challenges that are both environmental and economic:
  - Contaminated sediments fill the economically important New York/New Jersey port. How do we keep the port operational in an economically sustainable way?
  - Many goods, from clothing to food, require large amounts of water during their production. In other words, they have a large "water footprint." It is important that plants and manufacturing facilities use water in a smart and sustainable way.
- A basic goal of sanitation is to keep human and animal waste out of the water and food supply. Compared to the rest of the world, where many children die from easily curable water-borne illnesses (two billion every year, according to the UN), we are lucky to have good sanitation. There is considerably less sewage in the Hudson River today, and river pools offer opportunities to swim in the river. However, many communities still deal with combined sewer overflows.
- In the 1960s, the last 15 miles of the Hudson River was classified as a conduit for industrial waste. While there have been many improvements in water quality since then, largely due to the Clean Water Act, there is still a long way to go.
- According to the Clean Water Act, water bodies are classified according to their best use. It is a national goal to have fishable and swimmable water bodies. There are standards for pollutants and pollution control permits to maintain the quality and use of these water bodies. In New York State, 20,000 pollution control permits are issued each year.
- The Clean Water Act drives and enforces standards, but there is a need to foster compliance and build infrastructure. Federal funds were used to build 75% of wastewater treatment plants, and now that the plants are in need of upgrades or repair, the funds are largely gone. Drinking water and wastewater infrastructure will require over $70 billion in investments over the next 20 years.
- Despite the advances made by the Clean Water Act, there continue to be many challenges to improving water quality:
  - Air emissions contribute to water quality problems. Most of the mercury in New York State fish comes from air emissions outside the state. Nitrogen oxide gases in smog and

acid rain deposit produce increased amounts of nitrogen, which ends up in waterbodies and can lead to "dead zones" or "slimy" conditions.
  - Polluted runoff from city streets contributes a considerable amount of contamination to waterways. According to a study by the Washington State Department of Ecology, every two years the same amount of oil enters the Puget Sound from runoff as was spilled in the Exxon Valdez oil spill in Alaska. In New York State, there are 16,000 oil spills each year.
  - Lots of garbage ends up in streams and other water bodies. There is a garbage island the size of Texas floating in the middle of the Pacific Ocean.
  - One acre of improperly managed construction activity can add as much sediment as two to three square miles of forest or meadow. Sediment, along with the pollutants attached to particles, can silt up streams and destroy habitat. This could be devastating for trout and macroinvertebrate insects that trout eat, as well as for flyfishing and other economic opportunities.
- On the positive side, industrial facilities and farms do not contribute as many pollutants to water bodies as they used to.

**Opportunities**

- We need to get smarter about land use and its effect on water.
- Wetlands act as big water holding tanks spread out across the landscape. If they are there, flooding is greatly reduced; if they are not, flooding is greatly accelerated. In addition to holding water and allowing it to infiltrate, wetlands provide valuable habitat. It is important for communities to protect their wetlands.
- An acre of asphalt contributes 14 times the amount of water during a storm as an acre of forest or meadow. Streams adjust to certain hydrologic conditions over time, and many can't handle the larger stormwater flows that come from increased development. The amount of water and sediment can be physically and biologically disruptive to a stream.
- We need to reduce the amount of impervious surfaces associated with growth by adopting green infrastructure strategies.
- There are now controls on ballast water through Clean Water Act jurisdiction in New York. Globally, there are over 7,000 species associated with ballast water. Some of these species, such as zebra mussels, can become invasive and have a huge impact. Currently, half of the biomass in the Hudson River is from zebra mussels. Preventing species invasions makes economic sense.

**Conclusion**

- We need economic development, but we need to do it sustainably. Smart growth, with an emphasis on *growth*, offers a real solution.
- Donald Trump could be considered an environmentalist because he stacks people on top of each other. Every floor in his Manhattan apartment building is a sprawling McMansion avoided, and people living there use a third as much energy as the average American. This has implications for greenhouse gas emissions. Building up instead of out also protects green spaces, keeps local agriculture, and provides water quality benefits. People can enjoy a high quality of life with a lower impact on the environment.
- We have to have growth, but unless we watch our water resources and water infrastructure, smart growth can't come to fruition. There are a lot of possible solutions.
- Our dialogue today is an excellent step in the right direction so we can all begin to speak with one voice.