

WCA offers county-centric stimulus proposal

BY BOB ROZYCKI

January, 19, 2008

In a bid to restore confidence in and among the business community as well as prop up a faltering economy on the local level, the Westchester County Association has proposed a two-prong attack on skyrocketing energy costs and a near-frozen credit market.

A third aspect of the plan is to engage county government, specifically the Industrial Development Agency, to determine the viability of offering loans to distressed businesses and college students.

Dubbed "For Westchester by Westchester," the initiative was a result of an economic forum by the WCA in December attended by 40 business leaders in the county.

While the proposal is solely focused on Westchester, WCA President William M. Mooney Jr. said following a press conference last week that he is hopeful that initiative will catch on with other counties in the Hudson Valley.

"This is just the beginning. Details will be worked out as we go along," Mooney said.

"A clear outcome of the economic summit was the need to provide leadership in addressing the economic crisis faced by Westchester. Although we cannot solve the massive economic problem, we can find creative ways to address specific segments of the Westchester economy."

Concerning access to credit, the WCA recommends forming a consortium of regional and local banks that will offer loans to Westchester businesses.

"We had a great dialogue with the banks," Mooney said, adding that the lending issue has been made more complex in the fallout from the subprime mortgage debacle and the ensuing recession.

"This is complicated – not POOF! – it's answered."

George Strayton, president and CEO of Rockland County-based Provident Bank, said as the head of a community bank that deals in a medium market, there is no problem concerning the availability of credit.

In dealing with smaller businesses, Strayton said, as long as an applicant is credit worthy, money is available.

"It's not like credit has stopped at the community bank level. Each market deals with different issues. The bond market plays a big role in lending; right now it's frozen."

In regard to municipal bonds, President-elect Barack Obama has proposed that the U.S. Federal Reserve buy them to cut high borrowing costs for cities and states that are grappling with huge budget deficits.

With businesses in Westchester spending in excess of \$100 million a year on energy costs, the WCA proposed creating a purchasing program to provide lower-priced electricity for businesses that are critical to the county's "economic vitality" such as hospitals, colleges and commercial office buildings.

Of the three initiatives, this is the one that has potential for quick takeoff, according to representatives in the private and public sectors.

The New York State Energy Research and Development Authority (NYSERDA) already offers incentives to commercial, industrial, commercial real estate, hospitals, non-residential Con Edison gas service customers, agricultural and other businesses.

Prudent energy sourcing strategies need to be put in place by businesses to cut costs as they weather these recessionary times, according to Jorge Lopez, president and CEO of Con Edison Solutions and Kevin Hamilton, president and CEO of Nuenergy.

“Businesses need to leverage demand and obtain lower-cost power by going out collectively,” Lopez said.

White Plains-based ConEdison Solutions, a subsidiary of Consolidated Edison,

provides energy buying and management services for commercial, industrial, residential and government customers.

Nuenergy in White Plains evaluates a business’ energy use and offers recommendations for saving money.

Hamilton said that if businesses in the county work collaboratively in addressing their energy needs, they can cut up to 20 percent of their power costs through energy efficiency upgrades and buying electricity as a group.

In January 2008, the Business Council of Westchester issued a broader energy initiative asking government officials to identify locations for new power plants lest electric bills rise by 150 percent by 2017. It was part of a report titled, “An Assessment of Energy Needs in Westchester County.”

Mooney acknowledged the missing piece to the overall initiative was getting government involved. He said the next step was to talk with officials and see if a funding mechanism can be implemented as a backstop for distressed businesses.

Alfred B. DeBello, WCA chairman, said the organization intends to get the plan in action as quickly as possible; the key, he said, was instilling a spirit of cooperation from many diverse groups.

“We need to get the Westchester corporations to help other Westchester corporations in supporting each other.”

When possible, the corporations need to buy products and services from each other instead of out of state, he said.

“It’s the old concept of buying locally.”