



**D R A F T**

**MINUTES OF THE ECONOMIC AFFAIRS  
COMMITTEE MEETING HELD ON  
March 15, 2012**

The Economic Affairs Committee convened at 3:30 p.m.

**Economic Affairs Committee Members Present:** Leilani Ulrich (Agency Chairwoman) Arthur Lussi (Economic Affairs Committee Chair), Frank Mezzano, Robert Stegemann, William Thomas. Jen McCormick was not present.

**Other Members or Designees Present:** Cecil Wray, Richard Booth, Sherman Craig, William Valentino, Dierdre Scozzafava (DOS)

**Agency Staff Present:** Terry Martino (Executive Director), Sarah Reynolds (Acting Agency Counsel), Dan Kelleher (Special Assistant-Economic Affairs)

**Others Present:** Frederick Monroe (Executive Director, Local Government Review Board)

**Economic Affairs Program Report for March 2012:**

**Special Assistant for Economic Affairs Report (D. Kelleher)**

Dan Kelleher presented the following report to the committee and board:

Mr. Kelleher provided the Committee with a brief response to Commissioner Valentino's question from last month regarding broadband in the Park. He noted that staff is still seeking a complete answer but quoted the 2009 APRAP which states that about 30% of the communities surveyed reported having access to broadband either everywhere or mostly everywhere within their communities, 50% have some access to broadband in their communities, and 20% have no access to broadband. Staff is looking to provide a presentation to the Board about Park-wide broadband for either the April or May meeting.

In preparation for a presentation to Committee on craft brewing, Mr. Kelleher provided some context about the industry.

Mr. Kelleher noted that on March 6<sup>th</sup> 2012, Governor Cuomo proposed legislation to create a "Farm Brewery" license that would allow craft brewers using products grown in New York State to operate in a similar fashion to the state's wineries. The beer manufactured under the proposal's guidelines would be designated as "New York State labeled beer". He also added that in December of 2011, Senator Charles Schumer announced the creation of the "I Love NY Brew" campaign aimed at placing more locally brewed New York beer in restaurants, bars and stores in New York City and throughout the State.

Mr. Kelleher also highlighted a January 23<sup>rd</sup> Adirondack Daily Enterprise editorial that articulated support of a regional approach to craft brewing to help encourage economic development within the Park. The story highlighted the work of Ken Tucker, of the Adirondack Brewers Coalition who envisions a beer trail throughout the Park where visitors tour from one community to another sampling the products of various breweries.

Mr. Kelleher articulated that there are currently three craft brewers within the Adirondack Park with the potential for many more. He noted that the average wage in the United States for brewery-related jobs is about \$38,000 and in New York State the economic multiplier for the industry is estimated at 2.48.

Mr. Kelleher suggested that promoting craft beers as local specialties makes tourists curious to visit the originating communities and strengthens the entire brand of the Park. Local craft breweries provide a marketing opportunity that can extend throughout the region and even be exported nationally.

Mr. Kelleher introduced Christopher Ericson, owner of the Lake Placid Pub and Brewery and the Lake Placid Craft Brewing Company.

#### **Presentation on Lake Placid Pub and Brewery**

Christopher Ericson provided the Committee Board his path to becoming the owner of a successful micro-brewery.

Mr. Ericson started brewing beer after college. He eventually became the head brewer in Stowe, Vermont where he encouraged a friend to come to work with him. As they worked together, they

developed a business plan to open their own brewery. They decided to open in Lake Placid due to the good local base and the all-season tourist traffic. They opened the Pub and Brewery in 1995. He currently employs approximately 50 people, 30 of them full-time.

Mr. Ericson explained that the most difficult aspects in his experience were dealing with the NYS Liquor Authority, distributing his product, and getting into the buying rotation of a fickle audience.

When trying to expand to a second location, he was denied a license by the Liquor Authority. Ultimately, he had to work through legislative process to pass a new law allowing for a second license. He then opened the Lake Placid Craft Company in Plattsburg, NY.

The Company out-grew the location in Plattsburg and so formed a partnership with the Matts Brewing Company in Utica, NY. Matts supplements products and employs co-op sales using their own sales staff. This partnership expanded his distribution to thirteen states.

Mr. Valentino asked what the problem was with getting a second license from the NYS Liquor Authority. Mr. Ericson explained that before the new law, the Authority did not allow multiple licenses to be issued in the same name. He said he could have expanded his current business if space had been available, but could not operate at two locations.

Ms. Scozzafava asked about pending law for distributing. Mr. Ericson replied that a law is pending which would allow a company to change its distributor if its product wasn't being moved.

Mr. Craig asked if Mr. Ericson had any interaction with the Agency while setting up business. Mr. Ericson said none until this presentation.

Mr. Craig asked what investment is required to start up a brewery. Mr. Ericson said it varies, but in general \$50,000 for a nanobrewery and \$500,000 for a microbrewery plus raw materials.

Mr. Booth asked what raw materials are used. Mr. Ericson answered malt, barley and hops, bottles, containers, and labels. He said mandating the use of NY produced products would make

brewing in accordance with the Governor's proposed NY Farm Breweries program very difficult as there is no consistency of product and the growing climate may be prohibitive. He said he buys his hops from Washington and his barley from England, France and Belgium.

Mr. Stegemann asked if hops could be grown in greenhouses. Mr. Ericson said it may be possible but that hops could not be grown seasonally in the Adirondacks.

Ms. Ulrich asked if his business was open year round. Mr. Ericson replied his business is open every day of the year which is why he is able to employ 50 people. Ms. Ulrich added that Mr. Ericson had recently attended an Adirondack Futures, Scenario Development session in Old Forge despite his very busy schedule and expressed her appreciation.

Mr. Lussi asked how the Pub was able to maintain steady business when other restaurants and bars were losing 15 to 30% during the economic slowdown. Mr. Ericson replied that he has succeeded by serving what the Pub is good at: pub food and beer which caters to various areas of the community at a sparing price.

Mr. Wray asked where the Pub was located. Mr. Ericson told him that it is located at the south end of Mirror Lake just up from the Town office building on Mirror Lake Drive.

Mr. Mezzano asked what kinds of social media the company used and was told that Facebook and Twitter were the main source of advertising.

Mr. Booth asked how many employees were in production and was told that Lake Placid Pub and Brewery employs one brewer, one assistant, one cellarman and one part time cleaner.

Mr. Mezzano asked if the production staff also bottled. Mr. Ericson answered only the taps at the bar and the growlers are filled on site. The bottling is done at the Matts Brewery.

The Board and Mr. Kelleher thanked Christopher Ericson for taking the time to provide this presentation. The Chairwoman gave him a certificate of appreciation in recognition of his contributions to the Adirondack Park economy.