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May 29, 2008

The Honorable David A. Paterson
Governor of the State of New York
Executive Chamber, State Capitol
Albany, New York 12224

Dear Governor Paterson:

Having just participated in the groundbreaking for the new BeechNut plant in Montgomery County, I am writing to draw your attention to the plight of the Village of Canajoharie, site of the soon-to-be-closed existing BeechNut facility. Although BeechNut's investment and job expansion is excellent news for the region, the move out of Canajoharie could be absolutely devastating for that small village.

Over the years, Canajoharie invested heavily in municipal services and infrastructure to support BeechNut, the Village's largest employer and taxpayer. This included direct expenditures such as high-capacity municipal water and sewage treatment facilities, and indirect costs such as deterioration of village streets by heavy truck traffic. BeechNut's departure leaves a greatly reduced tax base responsible for the costs of expensive excess capacity.

I'm sure you'll agree that, given the State's substantial direct involvement with the new BeechNut facility, the State has an equal responsibility to the citizens and remaining taxpayers of the Village of Canajoharie.

To their credit, Village officials have crafted a multi-pronged response to the situation. It is my understanding that they have presented their proposals to numerous State agencies, including the Office of Community Renewal, Empire State Development Corporation, the Department of Transportation, and the Department of Environmental Conservation. I am hopeful that you will be able to ensure that these agencies receive the necessary resources and Executive guidance to enable them to assist Canajoharie.

There are at least four major issues which could be resolved through existing State government programs:

1) Water and sewage treatment facilities: The Village constructed expensive high-capacity treatment facilities specifically to accommodate BeechNut. Because of their ability to cover these added costs through taxation of the BeechNut plant, the Village was ruled

ineligible to receive State grants and other assistance. Now that the major taxpayer/user is gone, Canajoharie should receive State assistance to reduce and restructure this debt.

2) Village streets and infrastructure: The Village and the State Department of Transportation have been engaged in a multi-year process to restructure ownership and responsibility for downtown streets, some of which have carried heavy trucks and should be part of the State's highway system. Although DOT has agreed to reconstruct certain Village streets, the State currently insists that the Village bear the cost of replacing affected underground infrastructure. Since the Village cannot afford the cost, the much-needed street repairs have come to a halt. It would be reasonable for DOT to replace the infrastructure, as they did in nearby Fonda, since much of the premature deterioration is due to heavy truck traffic.

3) Downtown "Main Street" projects and reuse of the BeechNut plant: Given that the Village must "reinvent" itself following the loss of BeechNut, Canajoharie officials have submitted ambitious grant application plans to the Office of Community Renewal. These would involve facade improvements and community development emphasizing strengths such as the Mohawk River waterfront and the nationally acclaimed Canajoharie Museum and Art Gallery. Funding of these grants would be a huge boost to Canajoharie. In addition, it will be important for ESDC to aggressively market the current BeechNut plant, which features direct access to the Thruway, for use by other companies.

4) Richardson Brands steam plant: Canajoharie's remaining significant industry, Richardson Brands, is powered from a central boiler located on the BeechNut site. If the BeechNut plant goes dark, Richardson will lose their steam power. Even if a new tenant is found, it is not likely that the shared boiler is a long-term solution for Richardson. Hopefully, ESDC may be able to work with agencies such as NYSERDA and NYPA to assist Richardson with acquisition and installation of their own boiler.

Governor, we have a significant opportunity to achieve multiple victories in the Mohawk Valley. The new BeechNut plant has already retained jobs and added good new employment. A concerted effort to continue the vitality of the Village of Canajoharie following BeechNut's move will offer a second victory in fulfilling the State's responsibility to the community which has hosted BeechNut for over a century.

As always, best personal regards.

Cordially,

Hugh T. Farley
Senator

cc: The Honorable Leigh Fuller, Mayor