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THE SENATE STATE OF NEW YORK



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August 31, 2010

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

Dear Governor Paterson:

In light of the State Comptroller's recent audit of the Village of Canajoharie, I am following up on our previous correspondence regarding the financial plight of the Village and its residents.

With the relocation of the Beech-Nut manufacturing facility to a nearby town, the Comptroller's report calculates that households in the Village could face an average combined increase of \$2,700 in water bills, sewer bills and property taxes.

While the retention and growth of Beech-Nut was a positive development for Montgomery County overall, as well as for the State, the Village is facing severe financial repercussions from the company's relocation.

At the May 2007 ceremony announcing the new Beech-Nut facility, then-Governor Spitzer emphasized that steps would be taken to ensure that Canajoharie would not be harmed by the relocation of the company and that efforts would be made to rebuild the local economy. Local residents took some comfort from the Governor's statements.

However, action is urgently needed to assist this community. My letter of May 29, 2008 identified several areas of possible assistance. In particular, forgiveness of the Village's debt for its water and sewer system improvements would provide much needed relief. It is also important that Empire State Development redouble its efforts to bring new businesses into the Village.

I look forward to working with you on helping the Village of Canajoharie during these difficult times. Best regards.

Cordially,

Hugh T. Failey

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