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NEWS

As most NY counties are losing population, Ontario County is gaining residents. Here's why.

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While New York state has been seeing an exodus of residents, Ontario County has bucked the trend, gaining more residents than it lost over a 10-year period, according to data from the Empire Center.

Gov. Kathy Hochul included the rather significant departure of New Yorkers from the state in her Jan. 5 State of the State address along with other pressing issues such as the COVID-19 pandemic and staffing shortages at medical facilities.

According to a report by the government watchdog group Empire Center, approximately 300,000 residents had left the state as of July 1, 2021. This is "below the Census Bureau's 'estimates base' headcount of 12 months earlier, during a period when the total U.S. population increased at the slowest annual pace on record of 0.1 percent, a gain of 392,665."

The report added that this decline "wiped out nearly half of the Empire State's cumulative population gain of 823,147 people during the previous decade, pulling the statewide total back to below 20 million."

"That's the steepest population drop of any state in the nation, an alarm bell that cannot be ignored," Hochul said in her address.

Yet while most counties did lose population, two proved to be exceptions. Both Ontario and Saratoga counties gained more residents from other counties and states than they lost throughout the 2019-20 year, according to data from the Empire Center. This is also reflected in earlier data that shows both counties increasing their population between 2017 and 2018 with a rate of change of 0.2 percent, according to the center's Town Population

chart.

According to Suzanne Vary, economic developer with Ontario County, there are several reasons for Ontario's success compared to neighboring communities.

"We've been innovators in economic development in terms of attracting business," Vary said, adding that the county was one of the first to create a formal business retention and expansion program. "The county has a strategic director that contacts businesses to see what comes up and if the business needs any help."

"Everyone agrees on the strategic direction and agrees on marching orders," she said, referring to the agency's strategic plan, a document outlining the strategy for the county's economic goals.

The plan is updated every five years, Vary said, adding that when it was updated in 2020, "we really had to pivot in our strategic plan to cope with the pandemic."

Aside from some of early starts the county has had in bringing in more businesses and, by extension, more residents, there is one other factor Vary said accounted for the county's success.

"Our number one strength is cooperation," she said, adding that aside from the economic development agency, the Board of Supervisors and the board of directors for the county's Industrial Development Agency have all cooperated with one another to achieve the economic goals.

"You don't put that on the shelf over a 10-year period. You're looking at it every three to five years. Adjusting to business trends is very important," said Jack Marren, calling it "pivotal to our success."

Marren, who is chair of the Ontario County Board of Supervisors, added that this spirit of collaboration extends beyond accommodating businesses. The Victor town supervisor added that supporting school districts also helps make the county attractive, "especially during the whole pandemic, providing them with the assistance that they need," often in the form of weekly phone calls to gauge needs. Marren also credited the county and deputy county administrators with ensuring the districts have all the personal protective equipment (PPE) they require.

"Certainly we've been growing through a number of years, but I do know the last few years

clearly, the ability to work from home, say 'I don't want to live in downtown Rochester, I want more land,'" has been another significant draw for incoming residents," he said. "The quality of life is a big attraction."

Marren also cited the presence of the state Thruway, which has four entry points in Ontario County (in Victor, Farmington, Manchester and Geneva). Amit Batabyal, economics professor at Rochester Institute of Technology, also considered the Thruway's presence as an explanation for the influx of residents to the county.

"My guess is there are people that live in Ontario because of lower taxes but work in Rochester. But other than that, there's no tech story I can tell to explain growth," said Batabyal, referring to Saratoga County, the only other county to have experienced population growth. According to Batabyal, the growth of that county may have come from its place in the state's "Tech Corridor," offering a nice place to live near jobs focused on the technology industry.

According to the tax compliance company Avalara, Ontario County's tax rate is 3.5%. Coupling that percentage with the state's 4% rate makes it 7.5%, half a percentage point lower than Monroe County's, which sits at 8%. Similarly, the total tax rate for Rochester as of 2021 sits at 9.98% according to the county's tax table — which includes the net town and net county rates. Canandaigua's total tax rate, meanwhile, is 7.40% for 2021.

On a broader level, Batabyal said there were five specific factors in New York that would explain the overall statewide migration loss, including a perceived sense that the tax environment is unfair for smaller businesses, poor job growth, the political environment, the typical climate and the high cost of living.

Yet Batabyal emphasized that some of these factors affected certain parts of the state more heavily than others.

"Job growth is an issue upstate, but not downstate in New York City," Batabyal said, noting that the bigger issue there is the high cost of living, which is more affordable upstate.

As for what needs to be done to reverse this trend, Batabyal said that while there were certain needs and changes the state could make, not everything could be addressed through those avenues.

"With the poor job growth, that's hard to address, because many upstate jobs are

agriculture or dairy-based," Batabyal said. "The fact is that there is virtually no job growth. And that is a national phenomenon."

But Batabyal did say there were fixes for some of the other factors affecting statewide migration. One example was addressing the tax environment through specific tax incentives for any recent graduate starting a business in the state. Another possible solution would be through the creation of business incubators, such as RIT's Venture Creations.

Aside from these fixes, Batabyal said the most important thing to do is to correct the perception that New York is opposed to small businesses.

"At the state level what must be done is eliminate the perception that New York is not friendly to small business," Batabyal said. "I've been at RIT for over 20 years and I hear the same story over and over again. There's a recoil effect in the sense of new graduates don't want to stay here. They go elsewhere to set up shop. Then once they're ready to raise a family, they're relocated to Rochester, because this is a very good place to raise a family. But they're setting up firms outside of the state."