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LAKE GEORGE
REGIONAL PLANNING BOARD**

**2016
COMPREHENSIVE ECONOMIC
DEVELOPMENT STRATEGY
(CEDDS)**

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LAKE CHAMPLAIN-LAKE GEORGE REGIONAL PLANNING BOARD

**2016
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY**

for the

LAKE CHAMPLAIN-LAKE GEORGE DISTRICT

Prepared by the Lake Champlain-Lake George Regional Planning Board

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**Lake Champlain-Lake George Regional Planning Board
Comprehensive Economic Development Strategy**

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I. Background Information

A. Introduction

The Lake Champlain-Lake George (LCLG) Region covers the northeastern section of New York State. The region is bordered by Canada to the north, Lake Champlain and the State of Vermont to the east, the capital district to the south and the majestic Adirondack Mountains to the west. The LCLG region is world renowned as a vacation destination with many recreational opportunities offered. Included in the region is Lake Champlain, Lake George, the high peaks of the Adirondack Mountains, the upper Hudson River, and numerous smaller lakes, streams and ponds.

About 80% of the region is included in the Adirondack Park, a 6 million acre unique area of private and State Forest Preserve which has historically served as a destination for tourists seeking open space, mountains and water based recreation.

The region covers the five counties of Clinton, Essex, Hamilton, Warren and Washington. These five counties contain 2 cities, 69 towns, 18 villages, 45 school districts and 277 special town districts. The region contains two of the three largest counties geographically in New York State and is one of the least populated areas.

The region is comprised of two urban centers with associated suburbs and the remainder of the region is largely rural. The urban centers around Plattsburgh and the Glens Falls area serve as the hubs of commerce and industry for the region. Access to the urban areas is good and the areas are favorably served by tourism.

There are also two major recreation centers in Lake George and Lake Placid. These communities have a good range of commerce and industry with a low permanent population and a high degree of tourism.

Economic and demographic trends in the Lake Champlain-Lake George (LCLG) Region reflect state and national trends. In many respects, the LCLG Region is a microcosm of national and multi-state trends. In the demographic analysis, regional trends are benchmarked against state and national trends for a point of reference.

The region suffered from a loss of population, industry and opportunity as a result of the national recession in the early 1990's. The region as a whole recovered from the job losses at the beginning of the new millennium. There also continues to be an overall loss of manufacturing employment in the region. This loss has been replaced, to a large degree, by lesser paying service related employment. While certain counties (Clinton for example) have progressed better than the

region or the state with the creation of new manufacturing employment, the region, state and northeast region have not fared as well as the country as a whole.

In analyzing the region, there have been differing experiences among the counties and within communities. Certain locations have experienced dramatic growth or decline that exceeds regional, state or national averages. This fact is particularly true with manufacturing employment and population changes during the 1990's.

B. Demographic Information

1. Population

During the 1980's the region surpassed the growth rate of New York State with a healthy 6.62% population increase. The national rate was higher (9.79%). All five counties experienced growth greater than the state average, with Washington and Warren Counties experiencing the highest growth. In total, the region added 15,330 persons during the 1980's.

The rate of overall population growth of the region slowed in the 1990's. It did not keep pace with New York State or the nation. However, after 2000, the region experienced some growth. During the time period from 2000 to 2005, the region grew by 1.63% while the state only grew 1.47%. The nation grew at 5.33%. Essex and Hamilton Counties both experienced negative growth, while Warren, Washington and Clinton Counties exceeded the growth rate of New York with 3.55%, 3.25% and 2.69% growth rates respectively. Overall the region gained 4,054 persons since 2000. Table 1 of the Appendix summarizes the changes in population for each of the five counties, the region, New York State and nation.

One of the most notable changes in the region occurred in the years from 1990-1995. During this period, the Plattsburgh Air Force Base was closed with immediate impact on the economy of Clinton County. The closing resulted in loss of population in every town in Clinton County. The communities hardest impacted were the City and Town of Plattsburgh where a total of 9,173 persons were displaced during this time period.

In addition, the national recession was also taking a toll on the region. Hamilton County was particularly impacted with the loss of jobs and industry during the early 1990's. The impact was a decline in the population by nearly two percent. In the five year time span from 1990 to 1995 alone, Hamilton County lost over 17% of its employment base.

Warren County is currently the fastest growing county in the region. The ability to use transportation via the Northway has resulted in a migration of households north from the Capital District into the county and the Town of Queensbury specifically. 2005 population estimates have the Town of Queensbury adding nearly 2,000 people since the 2000 Census.

Included in the Appendix, Table 2 are population summaries for each of the towns and cities in the five county region. These summaries contain historic information as well as projected population figures for each community in the region.

2. Per Capita Income

Per capita income among the five counties in the LCLG Region varies widely. 2003 income data from the Bureau of Economic Analysis (BEA) shows that per capita income ranges from a low of \$22,031 in Washington County to a high of \$28,384 in Warren County. That is a difference of 22.4%.

The per capita income of Washington County in 2003 ranked the county as 50 out of 62 New York Counties. In 1995 Washington County was 55th. Conversely, Warren County's average in 1995 ranked that county as the seventh highest among upstate counties. The 2003 data have Warren County ranked in 20th.

Table 3 of the Appendix shows the per capita income for each county over the past five years. Each county is also rated against the state average.

Washington County, with a large base in agricultural employment, consistently ranks at or just above sixty percent of the state average. Warren County has steadily been increasing and is just below eighty percent of the state average. The other three counties that make up the remainder of the LCLG Region rank between sixty-four and seventy-one percent of the state average.

3. Employment

Overall employment in the five county region is a mixed measurement. There are wide seasonal variations and wide variations among the five counties.

In terms of absolute numbers, there has been a steady increase since the 1997 economic survey in the five county region. A total of 623 new establishments (14.8% increase) and 14,189 (4.1% increase) new jobs were added to the region. Warren County had the greatest gain with 218 new establishments and 6,134 new employees. The largest change in employment was the addition of 9,467 health care and social assistance jobs. This was followed by the category of Information, which added 1,444 jobs. Information includes industries such as publishing, broadcasting, internet service providers, telecommunications, and data processing services. Wholesale Trade and Accommodation and Food Services were the only two industries that showed a net loss across all counties. They lost

308 and 230 employees respectively. Some of the Wholesale Trade loss could be due to a restructuring of the classification system and not necessarily a loss in overall jobs. More details are included in Tables 4, 4a and 4b in the Appendix.

Unemployment rates within the region are a concern for economic, political and social leaders. Unemployment rates fluctuate above and below the state and national averages for the months during any given year. Hamilton County typically has the highest unemployment levels throughout most of the winter months. During the peak summer tourist season and into the early fall, the overall unemployment rates within the region approach and fall below national and state averages. Table 5 in the Appendix shows county employment, unemployment, and unemployment rates for a recent twelve month period.

For six months out of the year Hamilton County experienced some of the highest unemployment rates within the state, but was actually lower than the state and national average from June through October. Clinton County was consistently above the state and national average except for September and October. Washington County's unemployment rate was below the state average throughout the year and only in January and February was it higher than the national average. No county experienced double digit unemployment rates.

In a recent report issued by the four Greater Capital Region Workforce Investment Areas, titled "The Greater Capital Region State of the Workforce Report", it states that the areas of Warren and Washington Counties (as well as Saratoga County) should soon see a boost in demand for technologically skilled positions. The Luther Forest chip manufacturing complex proposal in Malta is a 1,350 acre site that may create thousands of new jobs in the next decade. There will also be the need for infrastructure support as well as supporting services and needs as we see an influx of people in those regions.

The report goes on to say that while the region has taken some recent losses within the textiles, logging and paper manufacturing businesses, there could be significant economic growth from the technology sectors mentioned above. Tourism and the hospitality industry have also added jobs, but those jobs typically are for lower wages than in the manufacturing sector. Even with the prospect of jobs, the local workforce will have to meet the basic skills required by the employers or risk being passed over.

In the 2000 Census, the five county region had 118,503 people 16 and over in the labor force or roughly 60.1 percent of that labor force population. There are 99,309 males and 97,718 females available to work. Of the people 25 years and older, there are 64,297 males (77.1%) and 69,581 females (82.9%) with a high school diploma or better. There are 30,848 people (18.4%) that have a Bachelors degree or better in the five county region. Warren County has the greatest number (10,081), followed

closely by Clinton County (9,186). The remaining counties are as follows: Washington County (5,852), Essex County (4,990) and Hamilton County (739).

C. Natural Resource Profile

1. Geography

The Lake Champlain-Lake George Region encompasses some 6,340 square miles of surface area or approximately 4,057,600 acres. The geography of the region was defined by slow moving glaciers that blanketed the area over 10,000 years ago. There is a general north to south orientation of lake valleys to the east with attendant flood plain and rolling topography typical of glaciated terrain. Moving west, the Adirondack Mountains reach to the highest points in New York State. Elevations in the region range from 96.5 feet at Lake Champlain to 5,344 feet above sea level on Mount Marcy, the highest point in the state.

In the western and central portions of the region, the Adirondack Mountains contain some of the earth's oldest geological formations. The peaks were rounded by glaciation, and valleys deepened by run-off and glacial debris. Despite the erosion created by the glaciers, several of the high peaks approach and exceed 5,000 feet in elevation with 46 peaks topping 4,000 feet.

This mountainous area is dissected by several major rivers which served as both a resource for energy and as recreation areas for the population and seasonal tourists. Major river systems also include the headwaters of the Hudson River and its' various tributaries along with several rivers that have been designated as state wild rivers. These other rivers include the east and west branches of the Sacandaga, the Cold River, Opalescent, Battenkill, and East Canada Creek.

The eastern sections of the region contain deep lakes created by the glacial retreat. Lake Champlain and Lake George were created as drainage basins from the mountains during the slow retreat of the glaciers. The broad Hudson River Valley was similarly formed.

The region encompasses over 384 square miles (246,000 acres) of surface water. The majority of this acreage is contained in the 97,000 acres of Lake Champlain and 28,000 acres of Lake George. In addition, there are nearly two dozen lakes that contain over 1,000 acres of surface water within the region.

The geography of the region has historically impacted economic development. The terrain limited the development of the region until the mid 1800's when industry developed based on resource extraction, primarily ores and forest products. The development of rail transportation increased industrialization, but the focus remained primarily on the movement of raw materials. Industry that did develop tended to focus on serving local needs.

2. Climate

Although officially in a temperate zone, the climate of the region is dominated by long, severe winters. Climatic conditions are controlled by the topography, latitude, and elevations of the region. Average annual snowfalls, temperature and other weather patterns vary dramatically from county to county within the region. The harshest weather conditions tend to occur in Essex and Hamilton Counties, while Warren and Washington tend to have more temperate climates and lesser amounts of snowfall. Even within counties, however, weather patterns vary widely during the year.

The chart below summarizes weather patterns and conditions for each of the five counties within the Lake Champlain-Lake George Region.

| | Mean Temperature | | Mean Total Precipitation | Mean Snowfall |
|------------|------------------|---------|-----------------------------|------------------|
| | Maximum | Minimum | | |
| Clinton | 56.5 | 36.1 | 30.7 | 57.1 |
| Essex | 55.0 | 30.8 | 40.0 | 116.0 |
| Hamilton | 54.6 | 28.2 | 43.9 | 86.2 |
| Warren | 58.7 | 36.7 | 39.3 | 68.3 |
| Washington | 58.9 | 36.7 | 38.5 | 62.1 |

3. Natural Resource Profile

The region is rich in natural resources and historically the economy focused on the extraction and use of these materials. The industrial history of the region focuses on extraction of raw materials, largely ores and forest products. Timber has dominated the economy of the region for generations and even today, lumber and wood products along with paper and allied products remain an important, integral component in the regions' economy. Mining and related applications also continue as an important industry in the region.

Important natural resources other than forest products include: slate, talc, wollastonite, sand, gravel, hardwood, softwood, garnet, granite, marble, limestone, sandstone, iron ore, anorthosite, titanium, and oil. Also, despite recent decline, agriculture remains as a significant industry in the region. There are a total of 1,823 farms in the region, with 604 farms in Clinton County and 887 farms in Washington County.

Agriculture is particular significant in Washington County. In 2002, agriculture generated almost \$82 million in total sales. Total farm payrolls amounted to \$17.5 million and there were \$109 million in farming related expenses.

D. Infrastructure

The development and extension of infrastructure has played a crucial role in the development of the region. Historically, the region was an important trading and

transportation route from Canada to the Hudson River. During colonial times and earlier, Lake Champlain and Lake George provided excellent water transportation routes. As modern transportation methods were developed, the importance of these waterways diminished.

The development of the Champlain Canal and later Delaware and Hudson Rail Line strengthened the established trading patterns in a north-south orientation. The later development of Interstate 87 continued this pattern while also opening up interior communities of the region to the interstate transportation network.

Transportation within the region is somewhat limited due to topography and geography. The two large lakes and the Adirondack Mountains impede transportation to the east and west. Despite modern highway construction and maintenance methods, the western portions of the region are at times difficult to transverse, particularly during winter months. These routes are also prone to wash outs and other natural disasters. Several important roads have closures due to sudden, severe weather patterns, especially during the winter months.

Transportation needs in Warren and Washington Counties are addressed by the Adirondack-Glens Falls Transportation Council, a part of the LCLG Regional Planning Board and a municipal planning organization (MPO). The AGFTC provides a “continuing, comprehensive and coordinated transportation planning process”. The AGFTC has a long range plan that provides details on specific transportation related projects through the year 2015. The other counties of the region are not served by an MPO. Instead, transportation planning is the responsibility of each county and there is no requirement to complete a long range plan.

Public service facilities and infrastructure are prerequisites for sound economic growth. Seldom will a private developer invest in a community where adequate services and infrastructure do not exist. The lack of facilities in the more rural areas of the region has resulted in development focused around urban centers and the larger communities that possess proper facilities.

The most recent example in the region of how infrastructure can drive economic development is evidenced at the Plattsburgh Air Force Base. The Plattsburgh Airbase Redevelopment Corporation (PARC) is charged with converting the former air base into civilian uses. To date, more than 60 businesses have located at the former base, creating over 1,000 private sector jobs in aerospace and rail transportation, composites, market research, manufacturing, warehousing, high tech engineering, pharmaceuticals, health care, and varied other fields. The ability to quickly site new businesses at PARC, where there is existing infrastructure and buildings, has helped Clinton County increase manufacturing employment.

In a 1979 Comprehensive Regional Plan published by the Lake Champlain-Lake George Regional Planning Board, the concept of “Development Centers” was first advanced for the region. Using this analysis, communities were clustered into eleven categories based on population and access to infrastructure. It was noted that the larger centers of development had access to adequate public facilities. It was primarily the smaller categories that lacked reasonable access to highways, lacked public water and lacked public sewer systems. A majority of these findings remain true today.

1. Highways

Highways now provide the bulk of transportation in the region, and there is a total of 6,163 miles of highways and roads. The most significant transportation route in the region is also the region’s only superhighway, Interstate 87. This north-south route, the Adirondack Northway connects the region to the capital district to the south and to the Montreal, Canada region to the north. There are excellent links to the New York State Thruway as well as the Canadian highway system.

The construction of I-87 dramatically changed the demographics of the region. This high speed, limited access freeway provides ease of travel and encouraged both commercial and residential development. Recreational opportunities became more accessible and the region began to attract a growing number of second home owners as well as retirees. I-87 also provides a direct export link to Canada and the Port of Montreal.

There are also three United States highways, Routes 4, 9 and 11. These roads are generally considered “primary arterial” although their classification can vary within the region. Route 4 runs in a north-south direction along the Hudson River in Washington County before heading east into the State of Vermont. Route 4 is a major connector road from the Northway to Central Vermont. Route 9 generally follows the same path as I-87, crossing the region in a north-south direction. U.S. 11 traverses the northern section of the region in Clinton County in an east-west direction and is a primary route in the northern section of New York State.

2. Roads

There are several significant state highways within the region that provide local transportation as well as connections to the interstate system. These routes are generally considered “minor arterial” roads. Notable State Highways include Routes 3, 8, 22, 28, 30, 73 and 86. Except Route 22, these State Routes generally provide east-west travel, into the western portions of the region and across the Adirondack Mountains. Route 22 contains the most miles of any highway in the region, starting in southern Washington County and traveling north into Clinton County and eventually into Canada (see Maps 1-5 in the Appendix for more detail).

A majority of the roads in the region are maintained by the counties, towns, villages and cities. The most notable aspect of the road system in the region is the lack of access into the mountainous areas of the region. Hamilton County is the third largest county geographically of the 62 counties in New York, yet contains the fewest total highway miles. This fact is a direct result of the topography and the small population base of the county. (The county is also the least populated of the 62 counties.)

3. Rail Lines

The main rail line with regular freight service is the Delaware and Hudson (a subsidiary of Canadian Pacific) which runs north and south across Clinton, Essex and Washington Counties. A small connector also serves southern Warren County and clients along the Hudson River. The Battenkill Freight Line provides limited freight service in eastern Washington County. There currently are no operating rail lines in Hamilton County. In addition to regular freight service, the Delaware and Hudson tracks are also used by Amtrak for the “Adirondack”, a train that provides regular passenger service between New York and Montreal.

Recently, there has been a resurgence of interest in rail travel. Tourist excursion trains have been developed in Washington and Warren Counties and there are plans to extend services into additional communities. The Battenkill Rambler provides regular scenic rides between Salem and Cambridge in Washington County. The Upper Hudson River Railroad tourism train provides rides between North Creek and Riparius. Plans are in the works to extend service south to Saratoga Springs. In December of 2006, Governor George E. Pataki announced \$3 million dollars in State rail funding for improvement between Saratoga Springs and North Creek. Finishing the line between Saratoga and North Creek will allow people to travel from New York City directly to North Creek and Gore Mountain.

Another nearby excursion train is operated by the Adirondack Railway Preservation Society between Thendara and Old Forge in nearby Herkimer County. Plans for this railway include extending passenger rail service from Remsen (near Utica) to Lake Placid in Essex County. The 10 mile regular tourist excursion service between Lake Placid and Saranac Lake was added in 2000 and the rail line between Big Moose and Saranac Lake is completed and the restoration of passenger travel from Utica to Lake Placid is just a few years away. In fact, Governor Pataki also announced in December that an additional \$5 million dollars to extend the Adirondack Scenic Railway between Saranac Lake and Tupper Lake. The improvements will modernize the rail system and advance tourism opportunities throughout the state.

The extension of the Upper Hudson River Railroad and the Adirondack Railway Preservation Society will provide the central Adirondacks with links to Amtrak Stations in Saratoga Springs and Utica. These extensions could provide access to the entire United States and Canadian rail network for passenger and freight travel.

There is a need to upgrade existing rail lines to handle double stacking of freight. Existing tunnels and crossings are too low to accommodate double stacking. With growth of multi-modal transportation methods, double stacking is the most popular method to ship freight. Improvements are specifically needed in Essex and Washington Counties to handle the increasing international freight handled by CP Rail.

4. Canals/waterways

Historically, it is the natural waterways that developed the eastern portions of the region. Communities along Lake Champlain and the Hudson River were developed as waterfront communities for trade and the shipment of goods to points throughout the northeastern United States and Canada. From Lake Champlain and the Champlain Canal, the Saint Lawrence Seaway and New York State Canal System were utilized to provide shipping to points all over the world.

The eastern portion of the region is well served by the New York State Barge Canal that provides a water route from the Saint Lawrence River to the Hudson, via the Champlain Canal. Although shipping by barges is now antiquated and seldom used, there is renewed interest in the canal as a vehicle for tourism and pleasure crafting. There has been renewed interest in further developing the communities along the canal route by federal and state funding programs and using the canal as an economic and community development tool. The Canal Corporation over the last five years has committed \$167 million to major rehabilitation and revitalization projects along the 524-mile canal system. Many of the communities in Washington, Essex and Clinton Counties are developing canal attractions and amenities to help further develop this route as a tourism attraction.

5. Water/sewer

The lack of municipal water and sewer systems has hindered economic growth in rural areas throughout the region. Those communities that had the foresight to develop systems in the past have reaped the rewards of increased commercial activities.

With few exceptions, adequate water and sewer systems exist in the urban centers and major development centers throughout the region. Included in this category are major and secondary recreation centers where seasonal population fluctuates exist. Public water systems also tend to exist within minor centers where average populations are less than 1,000, but these centers typically lack municipal waste water disposal.

While the systems that exist are generally adequate, there are problems with extensions into newly emerging growth areas and constant needs to update older systems. Also, as environmental laws and public sanitary codes become more

stringent, there is a need for constant improvements to the water and waste water systems. The implementation of the Clean Water/Clean Air Act of 1996 prohibits the use of open bodies of water for municipal water sources unless the water is filtered. Many communities throughout the region are struggling to finance filter systems or locate new underground water sources. Other communities are struggling with modernizing antiquated systems that fail to provide potable water that meets these new federal and state water quality standards.

6. Communications

The region is generally well served with modern communication infrastructure. Glens Falls is a regional hub for communications switching equipment and redundancy exists in most communities. Similar with other infrastructure, communications infrastructure exists in the larger communities, but is not as prevalent in the outlying locations. Fiber optic cable, T-lines, High speed cable, DSL and ISDN service are available within a certain radius of Glens Falls, Plattsburgh and Lake Placid, but are not available in the more rural and isolated sections of the region.

Verizon and Citizens Communication Company are the primary local phone system providers in the region and each provides a host of modern services. Several smaller, local telephone companies serve communities within the region offering fewer or limited services. Therefore, overall services, including high speed telecommunication is inconsistent throughout the region.

There are also nearly two dozen long distance phone service providers and a variety of point of presence internet and dial up service providers. Most communities do have local access to internet providers. Many communities are now implementing internet services through television cable. In addition, new fiber is being installed up I-87 that will potentially provide higher bandwidth and greater speed to communities within a few miles of the Northway.

7. Electric distribution

Electricity in the region is provided by a mix of investor owned and municipally owned utility companies. The largest portion of the region is served by National Grid (formerly known as Niagara Mohawk Power Corporation) which provides electricity to roughly two-thirds of the region. New York State Electric and Gas is the second largest utility in the region, followed by several, smaller municipal utility companies, including the City of Plattsburgh, Lake Placid and Rouses Point.

The distribution of electricity throughout the region is well developed. Following the “Ice Storm” of 1998, the entire grid throughout most of the region was completed re-built by the utility companies.

While distribution is adequate for residential and small commercial uses, there remain large pockets of areas without three phase power. Three phase power is a requisite for most industrial applications to drive motors and equipment.

8. Gas distribution

Large sections of the region do not have access to natural gas service; it is only readily available in the urban centers and major recreation centers.

The southern portion of the region is served by National Grid. Service exists in the eastern portions of Washington County and southern portion of Warren County. Service terminates in Warren County just before the Hamlet of Warrensburg and in Washington County just north of Hudson Falls. Service exists in those communities along the Hudson River including, the Greater Glens Falls communities of Hudson Falls, Fort Edward, Queensbury, and Kingsbury. Also included are Lake George, Greenwich, and Easton. Service is available to any user including residential.

The northern section of the region is served by New York State Electric and Gas. Gas is relatively new to the northern portion of the region, with the first customers on line in 1994. Currently, NYSEG provides gas service to portions of Clinton County including the Towns of Champlain, Chazy, Dannemora, Plattsburgh, Rouses Point and Saranac as well as the City of Plattsburgh. NYSEG is currently planning to extend distribution lines to the Town of Peru.

The bulk of the region including the central portions do not currently have access to natural gas. This includes a large section of Clinton County, all of Essex and Hamilton Counties, a majority of Warren County and a majority of Washington County. Extending gas service into selected, unserved sections of the region is a priority to promote economic development and is being actively pursued by many community and economic development professionals.

E. Major Sectors of the Economy

1. Location Quotients

By utilizing employment data, a location quotient can be obtained that shows the relative economic strengths of the region in comparison to New York State and the Nation as a whole. The location quotient is simply a measurement of concentration of employment within a given industry as measured against national or state averages.

Each of the five counties with the Lake Champlain-Lake George Region has their own economic strengths and weaknesses that can be measured with location quotients. A location quotient (LQ) of 1 represents the national average, therefore anything measured greater than 1 represents a locational advantage. An LQ

below 1 would represent a disadvantage with no export of goods and services. Below, each county is listed with their highest concentrations of employment that exceed national averages (in order). Table 6 in the Appendix contains the breakdown compared to the Country rates.

Clinton County – retail trade; manufacturing; health care; services; and accommodation and food service.

Essex County - accommodation and food service; educational services; retail trade; health care; arts, entertainment and recreation; and services

Hamilton County - arts, entertainment and recreation; accommodation and food service; and retail trade

Warren County – administrative and support; arts, entertainment and recreation; retail trade; and health care

Washington County - manufacturing and retail trade

LCLG Region - retail trade; manufacturing; administrative and support; health care; accommodation and food service; and arts, entertainment and recreation

Below each of the six major industry groups with an LQ in the region of greater than 1.00 are broken out. (Unclassified establishments cannot by definition be broken down further.)

Retail Trade

Those industries, based on 2002 employment levels, with a presence in the region greater than the national average include:

| <u>Industry</u> | <u>LQ</u> |
|-------------------------------------|-----------|
| • Gasoline stations | 6.03 |
| • Building Material & Garden Equip. | 5.59 |
| • Food & Beverage Stores | 4.45 |
| • Nonstore Retailers | 4.41 |
| • Motor vehicle & parts dealers | 4.28 |
| • Health & Personal Care stores | 3.74 |
| • general merchandise | 3.07 |
| • Furniture & Home furnishings | 2.85 |
| • Sporting Goods | 1.87 |
| • Electronics & Appliance | 1.85 |
| • Clothing & Accessories | 1.52 |
| • Misc. Store Retailers | 1.15 |

Manufacturing

Those industries, based on 2002 employment levels, with a presence in the region greater than the national average include: A breakdown for manufacturing is not available at this time.

Administrative & Support & Waste Management

Those industries, based on 2002 employment levels, with a presence in the region greater than the national average include:

| <u>Industry</u> | <u>LQ</u> |
|-------------------------------------|-----------|
| • Administrative & Support Services | 3.84 |
| • Waste Management & Remediation | 3.00 |

Health Care & Social Assistance

Those industries, based on 2002 employment levels, with a presence in the region greater than the national average include:

| <u>Industry</u> | <u>LQ</u> |
|------------------------------|-----------|
| • Ambulatory Health Care | 2.82 |
| • Nursing & Residential Care | 1.20 |

Accommodations & Food Services

Those industries, based on 2002 employment levels, with a presence in the region greater than the national average include:

| <u>Industry</u> | <u>LQ</u> |
|-----------------------------------|-----------|
| • Accommodation | 3.43 |
| • Food services & Drinking Places | 1.66 |

Arts, Entertainment & Recreation

Those industries, based on 2002 employment levels, with a presence in the region greater than the national average include: Cannot be broken down any further.

The measurement of location quotient provides a greater understanding of the regional economy and the relative strengths. Table 7 of the Appendix provides details on the location quotient numbers that are presented in this section of the strategy report.

2. Growth Sectors

By analyzing growth sectors of business types additional analysis can be obtained to understand the regional economy of the Lake Champlain-Lake George Region. Using 1997 and 2002 data from the 2002 Economic Census, growth rates within industries can be viewed to determine growth patterns.

The three fastest growing industries in terms of number of employees within the region from 1997 to 2002 included Health care and social assistance, Information, and Other services. The same three industries also had higher percentages of growth than both state and national growth percentages. Educational Services

was the only other sector where overall regional growth exceeded the percentage growth at the state and national level. Overall, Washington County was the only county that did not have growth in employment that exceeded the national average. Within each county, many areas showed growth greater than the national average. The top three percentage growth for each occurred in the following industries:

Clinton County:

- Information - >1000% growth (607 new employees)
- Education Services - 638% growth (51 new employees)
- Health Care & Social Assistance - 238% growth (3,095 new employees)

Essex County

- Information - >1000% growth (167 new employees)
- Health Care & Social Assistance - 523% growth (1,507 new employees)
- Arts, Entertainment, & Recreation - 328% growth (164 new employees)

Hamilton County

- Arts, Entertainment, & Recreation - 328% growth (91 new employees)
- Information - >800% growth (8 new employees)
- Health Care & Social Assistance - 556% growth (50 new employees)

Warren County

- Information - >1000% growth (847 new employees)
- Health Care & Social Assistance - 293% growth (4,103 new employees)
- Education Services - 638% growth (41 new employees)

Washington County

- Information - >1000% growth (101 new employees)
- Other services - 51% growth (80 new employees)
- Professional, scientific, & technical services - 40% growth (50 new employees)

Overall, the region experienced the net addition of 14,189 jobs from 1997 to 2002, a 14.8% increase. A summary of the change in employment is shown in the Appendix in Tables 4 and 4a.

*Note – some numbers are based on median estimates for a range given due to the number of industries within the reporting areas to protect privacy. Some numbers may also reflect a change in NAICS codes. Please see appendix for more details.

F. Locational Advantages/disadvantages

While the measurement of location quotient provides an insight into those industry strengths of the region, it does not address the relative locational advantages or disadvantages for particular types of industry. Proximity to natural resources has always created an advantage for wood and wood products throughout the region. Similarly, mining has maintained a location quotient of greater than one in two of the five counties (Essex and Washington - 1996).

Historically, the economy of region has been advantageous to resource-based products and tourist based retail and services due to the significant environmental amenities and the vastness of the wilderness regions. This includes, wood and wood products, paper and related products and mining. These industries utilize the raw materials readily available in their processing. As these industries matured, however, they were faced with growing international competition. Unless specific niche markets are developed, the relative high costs of production in the region creates a market disadvantage (this includes taxes, energy, labor and other business expenses).

The region is within one of the world's richest markets. Half the income, half the population, half of the business and sales of the combined United States and Canada is within one day's trucking from the region. This market offers tremendous opportunity for a variety of businesses seeking access to major markets.

The proximity of the region to Canada and the Port of Montreal is a tremendous advantage. Each year, the volume and dollar value of goods shipped into and from Canada is increasing. Exports to or through Canada from Clinton County alone have grown 621% since 1987(2000 figure). Exports and foreign investments now account for as much as 14% of the total employment in Clinton County. The total economic impact of Canada on Clinton County is \$1.53 billion (www.quebecdnewyorkcorridor.com).

The region is emerging as an international trade corridor. The region provides critical transportation links between Canada and the United States. This trade corridor extends from Montreal to Albany and even further to New York City and the other major northeastern cities. Officials from Montreal to Albany have organized the "Champlain-Hudson Trade Corridor and Gateway Coalition" to build partnerships and programs to take advantage of this new phenomenon (<http://www.northcountrychamber.com/canam/canamctc.html>).

The region, however, is located in a state with an unfortunate recent reputation as anti-business. This perception had been aggressively addressed by the Pataki administration, Legislature and economic development organizations. It is also a priority for the current Governor. Job losses in New York State were the highest of any state during the 1990-92 recession and the state has been slow to recover. Private sector job growth in New York from 1993 to 2003 was 9.3 percent compared to 18 percent nationally. In addition to losing jobs, New York State was a leader in net migration losses. From 2000 to 2004, 731,543 more New Yorkers left than moved in.

G. *Factors that Affect Economic Performance*

1. State and Local Laws

A significant portion of the region is located within the Adirondack Park, an area with constitutionally protected public and private lands subject to regional land use controls administered by the New York State Adirondack Park Agency (APA). Land use regulation by the State as well as local governments has helped maintain the scenic beauty of the Adirondack landscape and the character of Adirondack communities. The resulting regional image has increased the region's attractiveness for adventure and recreation based tourism.

Within the Park, there is opportunity for well planned industrial and commercial development, much of it based on the desire for entrepreneurs to achieve important quality of life goals, the availability of natural resources, and the relative close proximity to a market area of over 55 million people. Proper planning and other land use controls will protect the long term economic viability of this area where the economy is so dependent on a quality environment.

A constraint being addressed is the perception that the Park, due to regional land use controls, is not a place where business can easily be established or maintained. To effectively counteract this negative image, as part of its overall economic development policy, the State of New York is advancing an image of the Park as a special place where the environment and the economy are integrally related. In addition, the Adirondack Park Agency and other regulatory agencies are improving operations to ensure greater efficiency and predictability in the development permitting process.

A related constraint on industrial and commercial development is the scarcity of industrial and commercial development areas designated in local land use programs. In rural sections of the region, many communities need to increase their focus on comprehensive planning in part to identify appropriate development areas and necessary supporting infrastructure. In many areas of the region, a lack of planning has limited competitive opportunities to locate new business.

Outside of the major population centers, many of the communities in the region do not have locally adopted, comprehensive planning and zoning regulations. The lack of proper planning has limited development in many communities that have not designated industrial and commercial development nor have they been able to plan appropriate infrastructure to encourage growth.

State regulations and taxing policies have similarly discouraged industrial development. During the recession of the early 1990's, New York State lost more manufacturing jobs and companies than any other state in the country. This was due to a variety of factors, including a perceived anti-business climate and overall tax burdens that were among the highest in the country.

During the peak job losses of the 1990-92 recession, New York State lost 551,400 jobs compared to 1,852,000 nationally (29.8%). Since this time, the state has been slow to recover and remains behind the rest of the nation in overall job growth.

2. Financial Resources

Within the region there are a variety of financial resources available to assist business and economic development and there are many agencies that are available to provide technical and financial support.

Generally, the availability of credit has not hindered development in the region, but has hindered the development of "home grown" business opportunities. In addition, industries that are predominant in the region are also those that are difficult to finance due to lack of collateral, weak credit history and other factors. Specifically, service businesses and tourism related businesses have experienced difficulties in obtaining credit from private lending sources.

Most of the economic development incentives focus on manufacturing businesses with fixed assets and tangible property. Service related and tourism related employment do not enjoy the same access to capital. While certain programs focus on manufacturing as a matter of public policy (and regulation), other programs focus on the creation of full-time, permanent jobs. These policies tend to rule out service related occupations or tourism based operations that utilize part-time and seasonal employment.

3. Energy Costs

Depending upon specific demands and load factors, average energy costs are typically 41% above national averages in New York State. The relative high cost of energy in New York State is consistently cited as a primary factor in businesses choosing to locate elsewhere. The rising cost of energy is also consistently cited by existing business as a factor that limits growth and economic viability, to the point of threatening their continued presence.

According to a 2000 study by the Public Policy Institute of New York State, the average New York industrial user pays 6.5 cents per Kilowatt hour. This ranks New York at 41% higher than the national average. New York commercial users pay an average of 11.4 cents per Kilowatt hour that is greater than 50% higher than the national average.

Natural gas users pay similarly high rates. The overall average natural gas price in New York is 44% above the national average

Reducing the cost of energy remains a top public policy initiative in New York State. The deregulation of the industry will bring retail choices to business and consumers. It remains to be determined how much these changes will save New Yorker businesses on their energy bills.

4. Business, personal and property taxes

Although the gap is decreasing, the overall tax burden for New York employers remains the highest in the nation. New York ranks first in the country in state and local taxes per capita, 53% above the national average. Local property taxes per capita are the highest among the 50 states at 49% above the national average.

It is property taxes that remain the most uncompetitive. Since these rates are set by local government and school districts, it is more difficult to enact changes. It is also difficult for communities to reduce costs since many of the expenses at the local level are the result of federal and state mandates.

Local property taxes vary widely throughout the region, with overall tax burdens varying by 50% or more within the same county. At the top of the following page, each county is listed with the highest and lowest overall full value tax rate (including county, town, city or village and school district taxes).

Overall Full Value Tax Rates Per \$1,000 Assessment

| <u>County</u> | <u>Full Value Tax Rate 2005</u> |
|---------------|---------------------------------|
| Clinton | \$32.76 |
| Essex | \$22.68 |
| Hamilton | \$14.68 |
| Warren | \$19.69 |
| Washington | \$34.34 |

Source: New York State Office of the Comptroller.

As evidenced in the chart above, the range of property tax rates varies tremendously from community to community.

5. Bonding Capacity

The communities of the region are very conservative financially and have not used long term debt frivolously. Nearly every community has bond capacity for capital projects and community and economic development activities.

According to the Office of the New York State Comptroller, none of the five counties in the region, are near their constitutional debt limits for bonding or taxing capacity, as shown in the chart below.

| <u>County</u> | <u>Total Debt</u> | <u>Constitutional Debt Limit</u> | <u>% Used</u> |
|---------------|-------------------|----------------------------------|---------------|
| Clinton | \$32,760 | \$156,988 | 20.9% |
| Essex | \$ 9,249 | \$188,833 | 4.9% |
| Hamilton | \$ 300 | \$ 95,205 | 0.3% |
| Warren | \$10,770 | \$296,130 | 3.6% |
| Washington | \$19,660 | \$143,738 | 13.7% |

Source: 1998 New York State Statistical Yearbook, The Nelson A. Rockefeller Institute of Government, State University of New York.

Many of the smaller towns of the region have very small amounts of debt, or no debt at all. The villages and cities of the region have tended to use bonding capacity more frequently than the towns and counties. These communities provide additional services such as water, sewer and fire protection. None of the communities are approaching their debt limitations, but increased borrowing creates fixed expenses that become part of the municipal budgets, thereby limiting budget options and keeping tax rates higher than neighboring communities.

School districts in the region are more apt to use bond financing and debt to upgrade and build new facilities, and to finance state mandated programs. There are several new school buildings in the region financed through school bonds. There are also about an equal number of school districts with no outstanding debt. None of the school districts are approaching their constitutional spending or borrowing limits.

6. Land Use Patterns

Land use for a majority of the region is regulated by both the New York State Adirondack Park Agency and local governments. These regulations generally encourage development within more developed areas and discourage large scale developments in rural open space.

Land use patterns in the region are also shaped by a significant amount of publicly owned land. Nearly 40% of the total acreage in the region is owned by the State of New York with state land in the Adirondack Park designated as “forest preserve” which, in accordance by constitution is to be “forever wild”. The chart below shows the percentage of state owned land by county and for the region.

State Owned Land in the LC-LG Region, 1996

| <u>County</u> | <u>Total Acres</u> | <u>Acres of State Land</u> | <u>Percent State Owned</u> |
|------------------------|--------------------|----------------------------|----------------------------|
| Clinton County - | 677,600 | 49,723 | 7.3% |
| Essex County - | 1,166,700 | 516,409 | 44.3% |
| Hamilton County - | 1,110,500 | 774,633 | 69.8% |
| Warren County - | 567,800 | 185,052 | 32.6% |
| Washington County - | 535,000 | 21,049 | 3.9% |
| Regional Totals | 4,057,600 | 1,546,866 | 38.1% |

Source: 1998 New York State Statistical Yearbook, The Nelson A. Rockefeller Institute of Government, State University of New York.

In addition to the state owned property, another 6% of the total acreage of the region is surface water. The bulk of the surface water is contained in Lake Champlain and Lake George. With 38% of the land owned by the state and another 6% representing surface water, only 56% of the overall land is available for private development.

In addition, agricultural uses remain an important land use component in the region, particularly in Clinton and Washington Counties. The chart at the top of the following page illustrates the amount of land currently utilized for farming and agricultural purposes in each county.

Agricultural Land Uses in the LC-LG Region - 1996

| <u>County</u> | <u>Total Acres</u> | <u>Percent</u> |
|------------------------|--------------------|----------------|
| Clinton County - | 164,000 | 24.2% |
| Essex County - | 57,700 | 4.9% |
| Hamilton County - | 0 | 0% |
| Warren County - | 6,100 | 1.1% |
| Washington County - | 209,800 | 39.2% |
| Regional Totals | 437,600 | 10.7% |

Source: 1998 New York State Statistical Yearbook, The Nelson A. Rockefeller Institute of Government, State University of New York.

With such a high portion of state owned land and surface water, there is constant development pressure on existing agricultural uses for conversion to housing and commercial development. Each year more agricultural land is converted into higher development uses. To combat this trend, the counties have adopted agricultural districts to encourage continuation of farm uses. To further encourage farming as a lifestyle and economic development tool, several Washington County communities have adopted “right to farm” laws.

Overall, the region exhibits fairly typical growth patterns. Growth is centered within the two predominant urban areas, the Plattsburgh and the Glens Falls Metropolitan Areas. In these two centers, land use is an urban mix with residential, commercial and industrial uses. Immediately outside of the urban centers, land uses are typical of suburban development with roadside commercial strips and residential areas.

There are two major recreation centers in Lake George and Lake Placid. These communities are largely commercial with residential land uses. The other, smaller centers, consist of a primary commercial/institutional center bordered by residential land uses. Outside of the community centers, land uses include primarily rural and low density developments including forest and land conservation.

Land use in the region has typically followed investments in infrastructure. The development of the Northway created a boom in housing immediately outside of the urban centers. Large, commercial activity has developed at the Northway Interchanges immediately outside of Plattsburgh and Glens Falls. The shift of retail activity from these downtown centers to the suburbs follows a typical development pattern replicated throughout the country.

The last regional land use study was completed as part of the Lake Champlain-Lake George Regional Planning Board, Comprehensive Regional Plan of 1977 and revised in 1979. Included in this plan are land use maps, and a detailed discussion of the development center pattern for the region. In terms of land use trends and findings, little has changed since the issuance of this report.

H. Other Factors

1. Housing

Compared with other regions of the country, housing remains relatively affordable and there are a variety of housing choices throughout the region, from small urban centers, to suburban, to villages, hamlets and rural housing options. The last comprehensive housing study of the region was conducted in the 1970’s. This report identified specific housing needs for each of the communities within

the region. Lacking a comprehensive housing plan, needs are not quantified, but trends have been identified throughout the region that identify housing needs.

Discussions with county planning directors suggest that entry level housing remains an issue as does affordable homeownership. The rehabilitation of older housing occupied by low and very low income households remains a priority for many of the communities in the allocation of limited Community Development Block Grant Funds. This is particularly true in the urban centers and larger communities across the region.

One of the newest housing needs is transitional assisted living complexes for the growing elderly population. Private developers have identified this need and have begun development of assisted living center in the two urban centers. These privately financed projects are generally not affordable to lower income elderly persons. It is also known that there are waiting lists in most of the communities that contain affordable elderly housing projects.

2. Health Services

The urban centers of the region are very well served by access to health facilities. Glens Falls and Plattsburgh contain large regional hospitals that provide a variety of outpatient and inpatient service. In addition, Cambridge in southern Washington County and Elizabethtown, Lake Placid and Ticonderoga in Essex County have smaller, community hospitals. The rural areas are served by clinics and outreach centers that provide ambulatory and outpatient services. The matrix of health center providers affords ample access to health care and health related services throughout the region.

3. Schools and Educational Facilities

Within the region there are 45 public school districts that provide educational services to school age children. There are also several private schools in the larger communities that provide pay for tuition service. There are two Boards of Cooperative Educational Services facilities that provide vocational training. Higher educational needs are also well provided with the following colleges and universities either within, or adjacent, to the region:

- Adirondack Community College
- Clinton County Community College
- North Country Community College
- State University of New York at Plattsburgh
- State University of New York at Potsdam
- Paul Smith's College
- Skidmore College
- Canton ATC
- Clarkson University
- Saint Lawrence University

- Empire State College
- University of Vermont
- St. Michael's
- Trinity
- Champlain

The quality of the educational system in the region is considered excellent. Many of the public schools have received recognition through a variety of awards. Access to higher education is afforded throughout the region, and many of the colleges and universities are recognized for excellence. Education is one of the key strengths of the region and is recognized by economic development professionals as such.

4. Public Safety

Crime rates within each county of the region are consistently below state averages. Crime prevention and enforcement in the region is provided by a mix of County Sheriffs, the New York State Police and local, municipal police forces. A breakdown of the size of the local police law enforcement officials is provided below:

| <u>County</u> | <u>County Sheriff</u> | <u>Local Police</u> |
|---------------|-----------------------|---------------------|
| Clinton | 38 | 82 |
| Essex | 29 | 37 |
| Hamilton | 6 | 6 |
| Warren | 104 | 43 |
| Washington | 33 | 90 |

Source: 1998 New York State Statistical Yearbook, The Nelson A. Rockefeller Institute of Government, State University of New York.

Fire protection in the communities of the region are predominantly provided by volunteer fire departments. Each of the communities in the region maintains their own fire department. Stations are strategically located to provide maximum coverage at the least cost. There are 42 fire departments financed through Town Special District Taxes. The cities of Glens Falls and Plattsburgh maintain paid fire departments, financed by municipal government.

5. Recreational and Cultural Facilities

The region offers an abundance of recreational and cultural facilities, more typical of a large metropolitan area, than a largely rural region. Many of the recreational opportunities center around the natural resources of the region - the many lakes and Adirondack Mountains. Recreational and cultural opportunities are available year round.

While a list of specific facilities is too lengthy to provide, recreational activities readily available in the region include: boating, canoeing, fishing, camping,

swimming, picnicking, golfing, hiking, horseback riding, hunting, sightseeing, snowmobiling, downhill skiing, cross country skiing, bob sledding, tobogganing, and biking. These activities are available to residents and the many tourists alike. Many of the specific facilities are world class, including the Winter Olympic venues at Lake Placid and Whiteface Mountain.

Despite the proliferation of recreational activities, there is a need to further develop opportunities and activities in the shoulder seasons of the fall and spring. The extension of these activities and the extension of the summer and winter tourist seasons will provide a significant economic impact to the region.

Cultural opportunities in the region or nearby are similarly too lengthy to list. Art organizations abound, there are countless museums, orchestras, and facilities. Even professional sporting events are available within and adjacent to the region.

All of these facilities and opportunities add to the quality of life of the residents and enhance overall economic development efforts.

6. Environmental Issues

Floodplains - there are a variety of 100 and 500 year floodplains throughout the region along the many streams and rivers. While the existence of floodplains limit development projects on specific sites, there are no unusual concerns that limit economic development efforts.

Wetlands - the area within the Adirondack Park is fairly well mapped and surveyed for wetlands. Areas outside of the Adirondack Park are not as well delineated. As with floodplains, there are a various wetland areas scattered throughout the region that may limit development opportunities. There is no unusual predominance or concern that limits economic development efforts.

Historic Preservation - the region is rich in history and there are many locations listed on the National Register of Historic Places. Included are 14 historic districts, four covered bridges, military battlefields, points of military conflicts, the Adirondack Forest Preserve, five forts, the Old Champlain Canal, The Feeder Canal, several individual houses and homesteads, individual institutional buildings (courthouses, churches, etc.), and other locations of significance. The last comprehensive inventory of historic sites was completed in 1977.

Hazardous Waste - the New York State Department of Environmental Conservation has 22 sites within the region on their list of confirmed or suspected hazardous waste sites. The number of sites by county is as follows:

Clinton County - 8 sites
Essex County - 2 sites
Hamilton County - 0 sites
Warren County - 5 sites

Washington County - 9 sites

There are 860 such sites in the 62 counties of New York State. Therefore, the number of sites do not pose any unusual concern for business development efforts.

7. Border Facilities

While there is a growing relationship with regional businesses trading and transporting goods and services into Canada, there is a dire need to bring the border facilities up to modern standards. As trade increases and more tractor trailers use the Northway to enter and exit Canada, the lack of modern facilities is becoming more immediate. The border is the only land crossing in New York State into Canada and is hampered by the lack of a border “authority”. Advocacy efforts are needed to lobby for improvements.

II. Analysis of Economic Development

A. *State of the Regional Economy*

As shown in Section I, the economy of the region is based on a variety of industry types, business uses and industry mix. The strengths of the regional economy are in retail trade, manufacturing, and services. In each of these industry sectors, overall employment exceeds national averages.

The region suffered disproportional compared to other regions in the country during the last recession of the early 1990s. The recession hit early and the region was slow to recover. Before the region fully recovered, it was hit by the closing of the Plattsburgh Air Force Base and a Canadian Exchange Rate that discouraged foreign retail spending. The base closing was very dramatic on the population of Clinton County, but did not significantly impact Warren or Washington Counties.

Although the experience varied slightly by county, the economy of Essex County offers a good example for the region. In October 1990, the number of unemployed persons topped the same month for the previous year. Although not spectacular, October 1990 followed consistent growth in employment from 1985 until 1990. From October 1990 until November 1992, the number of unemployed persons was consistently greater than the same month a year ago. Unemployment peaked in 1992 at an overall monthly average of 12.4%. Not until 1998 did the monthly average of employed persons exceed 1992 levels.

While the impacts of the recession were experienced by each county in the region, the closing of the Plattsburgh Air Force Base was most dramatic in Clinton County and nearby Essex County. The most dramatic measure of the impact of the closing was the loss of population in Clinton County as discussed in Section I. Together with a change in the Canadian Exchange Rate the impact was also noticeable in the change in the number of business establishments as evidenced in the chart at the top of the following page.

Number of Business Establishments 1993-1997

| | 1994 | 1995 | 1996 | 1997 | <i>Change</i> | |
|--------------------|--------------|--------------|--------------|--------------|----------------|-----------------|
| | | | | | 1994-97 | % Change |
| Clinton | 2,069 | 2,050 | 2,050 | 2,037 | -32 | -1.55% |
| Essex | 1,262 | 1,268 | 1,266 | 1,280 | 18 | 1.43% |
| Hamilton | 266 | 272 | 264 | 265 | -1 | -0.38% |
| Warren | 2,271 | 2,364 | 2,404 | 2,381 | 110 | 4.84% |
| Washington | 1,014 | 1,048 | 1,051 | 1,072 | 58 | 5.72% |
| LCLG Region | 6,882 | 7,002 | 7,035 | 7,035 | 153 | 2.22% |
| NY State | 482,597 | 490,265 | 497,072 | 505,087 | 22,490 | 4.66% |
| Nation | 6,509,276 | 6,613,218 | 6,738,541 | 7,373,357 | 864,081 | 11.72% |

Sources: New York State Department of Labor, U.S. Bureau of the Census, 1999.

From 1994 to 1997, Warren and Washington Counties added new businesses at a rate greater than New York State as a whole, with 4.84% and 5.72% growth respectively. This growth compares to Clinton County where there was an overall loss of 1.55% of the total business establishments. The net effect on the region was a growth rate of 2.22% in the total number of business establishments, an effective annual increase of less than one percent.

The lack of growth in the total number of business establishments is particularly telling when compared to the national experience - the region's growth was less than one-fifth the national average. Even those counties with the largest increase in the number of business establishments were less than one half of the national average.

The region is highly dependent on tourism. The influx of tourists supports an ever growing retail and service trade. Employment in retail trade exceeds the national average in four of the five counties. While tourism provides employment and brings in sales tax revenue during good economic times, tourism suffers disproportionately during national economic downturns. This fact is clearly evident in the latest recession.

A significant portion of tourism is generated from Canada. The region is a very popular destination for Canadian vacationers and shoppers. A large percentage of the region's retail trade can be tracked to Canadians. This is particularly true in Plattsburgh and other communities in Clinton County.

Historically, a favorable exchange rate encouraged Canadian expenditures in the region. In the past few years, however, the exchange rate has moved to favor the United States, thereby increasing the costs of U.S. goods and services to Canadians. This trend led to decline in retail spending in the region, specifically

Plattsburgh, Lake George and other tourist based communities. The decline of Canadian spending in the region has rebounded and is now increasing.

Like the state and national economies, the regional economy has been shifting from a manufacturing based to a service based economy. During the time period from 1993 to 1996, overall employment in services rose 13%, a rate exceeding the rate of the national growth. Although manufacturing employment has declined in the region, overall employment remains greater than the national average.

In recent years, the regional economy has out performed the state economy, but under performed the growth in the national economy. There are also reasons for an optimistic future as shown in the examples below:

- The former Plattsburgh Air Base is a tremendous asset to the region. To date, 54 businesses have located on the site creating over 1,000 new, private sector jobs.
- Outside of the Airbase, Clinton County has run out of land in the existing industrial parks.
- The Moriah Industrial Park has secured the first tenant.
- The Warren-Washington IDA Industrial Park, after years of planning is about to be expanded.

The ability to continue these trends, while providing timely investments, will ensure that the positive economic growth that has begun will endure. A top priority for the coming years is the continuation of efforts to locate new businesses in existing industrial parks. Similarly, efforts will be continued to develop new sites and parks to house new industry.

B. External Forces and Trends

There are several important external forces and trends that impact economic development in the LCLG Region. Included in these categories are: the globalization of the marketplace; an improving business climate in New York State; consolidation of corporations; and a shift toward a service based economy. These external forces and trends impact and effect the economy of the region and are evidenced in several measures.

Companies in the region increasingly are impacted by global events. The world-wide glut of cheap paper products negatively impacts local employment in the paper mills of the region. Lower cost, foreign imports drive down the cost of production, squeezing operating margins and impacting employment. In 1998 and 1999, International Paper in Ticonderoga reduced their workforce as a result of the glut of paper in worldwide markets.

The business climate of New York State is improving. In recent years, no state has done more to scale back regulations, reduce taxes and create a pro-business

environment. The 1996 personal income tax cuts resulted in the reduction in taxes greater than tax cuts in the other 49 states combined. Worker's Compensation has been reformed, resulting in an average savings of 25% for businesses in 1998. In addition, New York's corporate tax rate of 9.0%, among the highest in the nation, will be reduced to the national average of 7.5% by the year 2002.

The change in the business climate has helped spur manufacturing job growth in New York State. From 1989 to 1994, the average annual manufacturing job growth in New York ranked the state 48 out of the 50 states. For the period 1997 to 1998, the state ranked 40th. In 1997, the state added manufacturing employment for the first time in over a decade. The loss of 1.2% of the state's manufacturing employment in 1998 was not greater than the national decline.

Overall job growth is also improving in the state. From 1993 to 1994, New York ranked 47th among the 50 states in total private sector job growth. From 1995 to 1997, the state moved up to 34th among the states. For the time period 1997-1998, the state ranked 28th of the 50 states. The overall job growth of 2.0%, however, still lags behind the national average of 2.9%.

The region has lost significant employment during the past few years as a result of corporate mergers and acquisitions. CAE Screenplates, Valmet Corporation, Ahlstrom and Tenneco have all reduced employment significantly as a result of purchases and mergers. Consolidations are not limited to just manufacturing; the merger of Evergreen Bank, NA resulted in over 100 jobs lost in the region.

With few exceptions, the region is shifting away from a manufacturing toward a service based economy. This trend is evidenced by a number of measures as discussed in earlier sections of this strategy.

For the region, from 1993 to 1996, the total number of persons employed in manufacturing declined by 350 persons, while those in services increased by 3,272. In 1993, nearly 21% of the region's workforce was employed in goods producing, by 1996, it dropped to less than 20%. At the same time, the growth of employment in services from 1993 to 1996 exceeded the growth rate of New York State and the Nation.

The primary concern about a shift away from manufacturing towards a service based economy is that service jobs, on average, pay significantly less than factory jobs. The disparity in pay between manufacturing and service related employment is illustrated in the chart at the top of the following page.

1996 Average Weekly Earnings by Industry

| | <i>Manufacturing</i> | <i>Services</i> | <i>Difference</i> |
|------------|----------------------|-----------------|-------------------|
| Clinton | \$ 599.86 | \$ 386.98 | \$ 212.88 |
| Essex | \$ 651.25 | \$ 328.47 | \$ 322.78 |
| Hamilton | \$ 393.71 | \$ 293.94 | \$ 99.77 |
| Warren | \$ 634.82 | \$ 420.45 | \$ 214.37 |
| Washington | \$ 624.65 | \$ 319.63 | \$ 305.02 |

Source: Technical Assistance Center, Plattsburgh State University of New York from the New York State Department of Labor, Division of Research and Statistics.

In each of the five counties, the average service position is as much as \$322.78 less per week than the average manufacturing position. As the economy moves from a manufacturing to a service economy, residents have less disposable income.

C. *Partners for Economic Development*

There are a number of organizations and agencies that provide economic development services in the Lake Champlain - Lake George Region. These organizations range from Chambers of Commerce, to regional economic development organizations, to local economic development, community development and planning staff. Organizations serve a variety of functions and provide a host of services.

Building partners is a fluid, on-going process that tends to follow project planning, initiation and implementation. The list of groups and organizations presented is not intended to be all inclusive, as new partners are frequently brought in for various activities and new projects.

The Regional Planning Board maintains extensive links with various federal, state, regional and local groups to deliver comprehensive economic development services. Through these partnerships, additional funds and programs are leveraged to serve regional and local interests. Below is a list of those groups and agencies that work with the Regional Planning Board to provide economic development services to communities and businesses.

- Adirondack Economic Development Corporation
- Adirondack North Country Association
- Adirondack Park Agency
- Empire State Development Corporation
- New York State Association of Regional Planning Councils
- New York State Department of Labor
- New York State Department of Environmental Conservation
- New York State Department of Transportation
- New York State Electric and Gas

New York State Thruway Authority
Niagara Mohawk Power Corporation
U.S. Department of Agriculture
U.S. Department of Commerce
U.S. Department of Housing and Urban Development
Clinton County Area Development Corporation
Clinton County Industrial Development Agency
City of Plattsburgh Community Development Office
Plattsburgh North Country Chamber of Commerce
Essex County Planning Department
Essex County Industrial Development Agency
Hamilton County Planning Department
Hamilton County Industrial Development Agency
Adirondack Regional Chambers of Commerce
City of Glens Falls Community Development Office
Queensbury Economic Development Corporation
Warren County Planning Department
Warren County Regional Economic Development Corporation
Washington County Planning Department
Washington County Local Development Corporation

The LCLG Regional Planning Board also works closely with each of the five counties, towns and cities that make up the region. This includes each of the four county based industrial development agencies in the service area, which are authorities of county government.

D. Resources for Economic Development

There are a variety of resources available for economic development efforts within the region. These resources include federal, state, regional, local and privately funded programs. It would be impossible to compile a current, comprehensive list that would include every resource available.

A majority of the resources focus on business financing for specific business ventures. The scope of existing funding programs includes a tremendous variety of debt and equity funding opportunities. Funding sources range from private bank financing to private venture capital funding.

Non-conventional funding sources available to communities for economic and community development include:

U.S. Department of Housing and Urban Development, Community
Development Block Grant Program
U.S. Department of Commerce, Public Facilities and Economic
Development Grants
U.S. Department of Agriculture, Community Facility Loans

U.S. Department of Agriculture, Water and Waste Water Disposal Loans and Grants
U.S. Department of Agriculture, Rural Business Enterprise Grants
New York State Department of Transportation, Industrial Access Program
New York State Environmental Facilities Corporation, Drinking Water Revolving Loan Program
Rural New York Grant Program
TEA-21, Transportation Equity Act Program
Environmental Protection Fund
New York State Office of Parks, Recreation and Historic Preservation, National Recreation Trails Program
New York State Department of Environmental Conservation, Urban and Community Forestry Program
North Country Facade and Infrastructure Improvement Program
New York State Environmental Quality Bond Act Program

Existing sources of small business financing for companies seeking to expand or relocate to the region include:

Regional Programs:

Adirondack Economic Development Corporation:
Adirondack Intermediary Relending Program
AEDC/SBA 504 Loan Program
AEDC/U.S. Small Business Administration Microloan Guaranty Program

Empire State Development:
Economic Development Feasibility Study Program
Economic Development Fund
JDA Direct Loan Program
Job Development Authority/Enhanced SBA 504 Program
JOBS Now Program
Linked Deposit Program
Regional Economic Development Partnership Program
Rural Areas Development Fund
Rural Development Loan Fund
Small Business Technology Investment Program

Lake Champlain-Lake George Regional Development Corporation:
Lake Champlain-Lake George Intermediary Relending Program

Lake Champlain-Lake George Regional Planning Board:
Lake Champlain-Lake George Revolving Loan Program I
Lake Champlain-Lake George Revolving Loan Program II

New York State Environmental Facilities Corporation:
Industrial Finance Program

North Country Alliance Local Development Corporation:
North Country Alliance Regional Revolving Loan Trust Program

New York State Business Development Corporation:

Empire State Certified Development Corporation
New York Business Development Corporation
NYBDC Capital Corporation

Clinton County:

Clinton County Area Development Corporation
Clinton County Area Development Corporation Loan Program

Essex County:

Essex County Industrial Development Agency
Industrial Revenue Bond Pool
ECDA “One Stop” Financing Program
Friends of the North Country, Inc.
Village of Keeseville Revolving Loan Program

Hamilton County:

Hamilton County Department of Planning, Tourism and Community
Development
Hamilton County Revolving Loan Fund
Hamilton County Industrial Development Agency
Hamilton County IDA

Warren County:

Greater Glens Falls Development Corporation
Greater Glens Falls Development Corporation Revolving Loan
Program
Warren County Regional Economic Development Corp.
Warren County Microenterprise Program

Washington County:

Washington County Local Development Corporation
Washington County Intermediary Relending Program
Washington County Microenterprise Program
Washington County Revolving Loan Program

Taxable and tax exempt industrial revenue bonds are available through any of the Industrial Development Agencies (IDAs) in the region. Together, there are four county-based IDAs that cover all five counties. There is also a city based IDA in Glens Falls. The five IDAs of the Lake Champlain-Lake George Region include, the:

Clinton County Industrial Development Agency,
Essex County Industrial Development Agency,
Hamilton County Industrial Development Agency,
Counties of Warren and Washington Industrial Development Agency, and
Glens Falls Industrial Development Agency.

In addition, there are several chambers of commerce that provide economic and business development services to members and non-members. The largest and most active of the chambers of commerce are the Adirondack Regional Chambers of Commerce and the Plattsburgh North Country Chamber of Commerce.

This extensive array of groups and agencies all provide a “one stop shop” for a wide variety of economic and business development needs and services. Many of the organizations provide specific business development services such as entrepreneurial training, small business management assistance, site location assistance, exporting assistance, and other services. Together, virtually every business and economic development need can be met by one of these partners.

III. Vision for the Future

A CEDS Committee has been created, representing a cross section of the community. Members were selected based on geography, personal and professional interests, expertise, and affiliations. In the foreword of this document is a list of the CEDS Committee Members and the agencies they represent. Many of the members serve on several other community committees and agencies, bringing additional experience and insights to the planning and economic development strategy process.

The CEDS Committee was instrumental in the development of the Vision Statement, Strategies, Goals, and Priorities as detailed in the following sections of this document, as well as reviewing background information and providing input for project recommendation and annual revisions to the CEDS document itself.

A. Vision Statement and Goals

The mission of the Lake Champlain-Lake George Regional Planning Board is:

Promoting sustainable economic development that strengthens our communities, provides quality jobs and preserves the unique natural, historical, and cultural characteristics of the region.

The vision of the Lake Champlain-Lake George Region is that of two small, central cities, neighboring villages, hamlets, and suburbs. The communities are strong, vibrant centers, steeped in history, offering employment and services to residents. The region is in the Champlain-Hudson Corridor, one of the world's richest international markets. Businesses participate in the growing and challenging world economy. The diversified land areas are characterized by the Adirondack High Peaks, and the many lakes, streams, and rivers. These unique features define vibrant four season tourist and agricultural industries that strengthens the economy and supports rural communities. Recreational opportunities and natural beauty abounds for both residents and visitors. Historic and environmental preservation is revered. Children learn in community schools that offer safe education at the cutting edge of technology. Challenging jobs offering a living, family wage await graduates. Economic and community growth is managed and planned, thereby preserving historic community centers while offering full employment to residents. It is an area where the quality of life, one of the most valuable assets, is revered by residents and envied by visitors.

Programs initiated and individual projects supported by the Lake Champlain-Lake George Regional Planning Board must meet the objectives of the mission and vision statements in order to receive assistance. To this end, the Regional

Planning Board has adopted priorities that identify those areas of greatest need in the region, enhance the region's competitive advantages, reflect the current resources, represent the best use of those resources, and will have positive economic ecological and social impacts. The main economic development goals of the region are:

1. Development of the Workforce
 - strive to achieve full employment.
 - increase job opportunities through business and economic development efforts.
 - improve job skills of existing workers to meet the needs of the future.
 - support job retention efforts.
 - support job retraining.
 - support career development in the schools.

2. Development of the Infrastructure (water, sewer, gas, electric and telecommunications)
 - provide infrastructure to upgrade and renovate industrial sites.
 - improve access in rural areas.
 - extend services into growth areas (including new business parks).
 - continue upgrades of telecommunications technology.
 - improve outdated and antiquated systems.
 - reduce the costs of energy.
 - utilize existing capacity.
 - improve support services to existing business.

3. Improving Transportation
 - improve access to I-87 from rural communities.
 - encourage the most appropriate mix of transportation modes.
 - improve border crossing into Canada.
 - improve traffic flow in congested areas.
 - encourage access management planning.

4. Promoting Recreation and Tourism
 - promote and expand regional tourism attractions.
 - encourage the coordination of tourism activities.
 - encourage development of "off-season" attractions.
 - support development of convention centers.

5. Leveraging Capital Resources
 - promote consolidation and coordination of programs and activities.
 - promote grantsmanship.

- provide technical assistance to local governments to increase grant funding.
- develop new capital programs for investment in the region.
- attract new capital from outside sources through tourism and economic development efforts.

B. Project Evaluation Priorities

Prior to considering involvement with any project, it must be demonstrated how the project meets the vision statement and one or more of the goals listed.

Projects are then evaluated based on the following criteria:

- community need
- local capacity
- project impact
- project readiness

Need should be demonstrated by employment and unemployment numbers, low wages or similar measurement. Preference is given to sustainable development, that matches the physical resources of the region. Identification of need should not be limited to human resources, but also include social and physical needs of the community.

Capacity includes the ability of the community to service the project. This includes provision of both the physical and social infrastructure. Projects must be of appropriate size and scale matched to the community. Where necessary, the Regional Planning Board will utilize resources to improve infrastructure to meet project demands (i.e., extend water, sewer, energy, and telecommunications).

Impact is measured in economic and environmental terms. Typical impact measures include jobs created, spin-off benefits, and other economic impact measures. Where necessary, economic impact measures will be prepared to document the positive advantages to a proposal. Negative impacts on the community and the environment will also be considered and mitigation measures applied where appropriate. To this end, full utilization of existing industrial sites will receive priority over new, greenfield development.

Project readiness is defined through local planning and zoning, infrastructure, permits and feasibility. Community planning and support must be demonstrated prior to the investment of Planning Board resources.

Project timing is important and projects will be processed on a first come, first served basis. Feasible projects will consistently be supported. Projects can be included into the CEDS at any time and the CEDS will be updated accordingly.

IV. Action Plan

A. *Economic Development Strategies*

As evidenced on Pages 4 through 8 of Section II, there are a variety of groups and agencies involved in economic development efforts in the Lake Champlain-Lake George Region. Coordination and non-duplication of efforts is an on-going challenge facing the region. The Regional Planning Board works with each of the partners listed to bring resources to businesses and the communities of the region.

Given the limited resources of the Regional Planning Board, there is a need to focus efforts to obtain maximize results. To this end, the primary strategies to be supported by the Regional Planning Board include:

1. Promoting Entrepreneurship

Entrepreneurship is promoted by the Regional Planning Board directly through the administration and implementation of the Revolving Loan Fund I and II and the Intermediary Relending Program. Approximately 25% of these loans issued to date have supported start up operations. This activity is also supported by other economic development groups in the region that provide financing and counseling to entrepreneurs. The RPB works with each of these groups to leverage additional funding and to provide the maximum flexibility in financing and business assistance. Other groups that promote entrepreneurship include:

- Adirondack Economic Development Corporation
- Adirondack North Country Association
- Warren County Micro Enterprise Program
- Washington County Local Development Corporation
- Adirondack Community College
- Clinton County Community College
- North Country Community College
- New York State Department of Labor

2. Retaining/Expanding Existing Businesses

The Regional Planning Board works with companies to retain and expand employment opportunities for residents. The primary programs that promote business retention and expansion include the Revolving Loan Fund I and II and the Intermediary Relending Program. All three programs provide financial assistance that leverage other resources. Other groups and agencies that assist with business retention and expansions include:

- Adirondack Economic Development Corporation
- Adirondack North Country Association
- Clinton County Area Development Corporation
- Empire State Development

- Essex County Industrial Development Agency
- Greater Glens Falls Development Corporation
- Hamilton County Industrial Development Agency
- Warren County Regional Economic Development Corp.
- Washington County Local Development Corporation

3. Building Community Capacity

Building capacity at the local level historically is one of the main focuses of the Regional Planning Board. This includes the planning and development of the physical infrastructure of communities to facilitate appropriate growth. The Regional Planning Board builds community capacity through a variety of projects and programs including:

- provision of grantsmanship services
- grant advocacy and administration
- project management
- socio-economic data distribution
- Census Data Center
- local project review
- local planning

Other groups and agencies that provide similar services include:

- Clinton County Department of Planning
- Essex County Department of Planning
- Hamilton County Department of Planning
- Warren County Department of Planning
- Washington County Department of Planning

4. Expanding Networks and Regional Cooperation

The Lake Champlain-Lake George Regional Planning Board is the only agency that serves the five counties exclusively. Other regional organizations assist additional counties or, exclude one or more of the counties in the region. The Regional Planning Board works closely with other groups and agencies promoting economic development. This includes referrals, networking, collaborating, sharing data and providing technical assistance.

Each of these above strategies are directly supported by the Regional Planning Board through programs, policies and activities. The Regional Planning Board will directly implement programs and projects to support these strategies. There are also secondary strategies that are important including:

5. Encouraging Import Substitution

There is an on-going need to analyze current consumption patterns and identify those that could be supplied or produced locally. Import substitution ties into a

cluster approach to economic development where addressing the needs of several businesses is favored over a one company at a time approach.

Other groups and agencies directly involved with import substitution include:

- Adirondack Regional Chambers of Commerce
- Plattsburgh-North Country Chamber of Commerce
- Adirondack Economic Development Corporation
- Essex County Industrial Development Agency
- Warren County Regional Economic Development Corp.
- Washington County Local Development Corporation

6. Developing Public Awareness

There is a continuous need to educate businesses, communities and the public about the economic development needs and programs of the region. Public relations activities include making communities aware of the programs of the Regional Planning Board. Public relations about economic development includes the need to educate the community at large about the benefits of purchasing goods and materials locally.

Other groups involved with economic development public relations include:

- Adirondack Regional Chambers of Commerce
- Adirondack North Country Association
- Plattsburgh-North Country Chamber of Commerce
- Adirondack Economic Development Corporation
- Essex County Industrial Development Agency
- Warren County Regional Economic Development Corp.
- Washington County Local Development Corporation

Finally, there are other strategies that are important to the overall economic development efforts of the region, but are best implemented at a more local level, or by other agencies with a greater level of expertise. Each of the strategies below will be supported by the Planning Board in a more indirect manner.

7. Promoting Workforce Development

The Regional Planning Board understands a skilled, available workforce is the number one issue in business and economic development. This is a growing and rapidly changing strategy. Workforce Investment Boards have been created in Clinton, Essex and Hamilton Counties. Workforce Investment Boards have been proposed in Warren and Washington Counties.

Other agencies directly involved with workforce development include:

- Empire State Development
- New York State Department of Labor

- Adirondack Community College
- Clinton County Community College
- North Country Community College
- County Employment and Training Departments
- Adirondack Regional Chambers of Commerce
- Plattsburgh-North Country Chamber of Commerce
- Local Economic Developers

8. Recruiting New Industry

The Regional Planning Board works with other economic development groups to recruit new industry to the region. The role of the Planning Board is more of a support nature than direct involvement. Resources of the Planning Board are made available to assist with recruitment. Programs and activities that support recruitment include:

- grantsmanship services to develop industrial parks
- feasibility studies
- project development packaging

The RPB works with each of the counties, the industrial development agencies, and local economic development organizations to assist with recruitment. Through a grant from Empire State Development, Adirondack Economic Development Corporation is now marketing the region to outside businesses seeking to relocate or expand into the Adirondack Park.

9. Improving Average Wages

A goal of the Regional Planning Board is increasing average wages in the region to match state and federal averages. This is accomplished through the creation of quality jobs that provide a family wage. Subsidies and incentives will not be used to support businesses that provide wages that are not appropriate for the level of the community investment. This is a longer-term strategy to raise the income levels and the quality of life of the residents.

10. Attracting Tourism

The goal of tourism attraction is to expand the tourism based economy, thereby providing seasonal and year round job opportunities, improving economic conditions and increasing sales tax revenues to the communities. This activity involves diverse tasks, including:

- promotion
- grantsmanship
- technical assistance
- planning
- coordinating
- input from committee and board members
- Canal Recreation Plan

Other groups that promote tourism development include the tourism departments of each of the five counties, regional chambers of commerce, and local chambers of commerce.

B. Specific Projects:

The individual projects listed below were solicited through a mass mailing to town officials, economic development agencies, and community leaders during the early spring of 2011. Over 100 communities, groups and agencies were included in this mailing.

In addition, select projects have been identified for inclusion in previous CEDS carried over from prior years.

1. Short Term Projects – one to two year commencement

| Project | Total Cost | Public (federal/state) | Public (local) | Private | Funding Sources |
|--|--------------------|-----------------------------------|---------------------------|----------------|-------------------------------|
| Town of Bolton Sewer System Upgrade | \$5,500,000 | | | | Unknown |
| Champlain Sewer System Improvements | \$8,000,000 | \$6,000,000 | \$2,000,000 | | Unknown |
| Champlain Water System Improvement/expansion | \$5,200,000 | \$3,900,000 | \$1,300,000 | | Unknown |
| Chazy Wastewater Collection and Treatment Facilities | \$4,520,000 | | | | Unknown |
| Chazy Water Source Treatment, Storage and Distribution | \$4,653,000 | | | | Unknown |
| Saranac Lake Downtown Development Fund | \$2,000,000 | \$1,000,000 | \$1,000,000 | | Unknown |
| Banker Road Industrial Park | \$2,000,000. | \$1,200,000. | | \$800,000. | EDA Clinton County |
| Queensbury Business Park Master Plan | \$75,000. | | | | Unknown |
| Ticonderoga Commerce Park | \$150,000. | \$75,000. | \$75,000. | | EDA Town of Ticonderoga |
| Champlain Industrial Park Phase II | \$825,000 | \$500,000 | \$250,000 | \$75,000 | EDA Clinton County |
| Lake Placid Sewer Line Replacement | \$3,989,000. | \$3,200,000. | \$150,000. | | Unknown |
| Whitehall Wastewater Stabilization Tank | \$1,750,000. | | | | Unknown |
| Saranac Industrial Park | \$10,000,000 | \$1,000,000 | \$4,500,000 | \$4,500,000 | Unknown |

| | | | | | |
|---|---------------------|--------------|--------------|--------------|----------------|
| Canal Street Marketplace | \$1,532,000. | \$494,000. | \$1,038,000. | | Unknown |
| Carey Park Sewer Extension | \$1,250,000. | \$625,000. | \$625,000. | | Unknown |
| North Country Cultural Center for the Arts | \$3,500,000. | \$2,100,000. | \$1,400,000. | | Unknown |
| Plattsburgh Waterfront Development Plan | \$250,000. | | | | Unknown |
| Norowal Marina Upgrade Town of Bolton | \$500,000. | | | | Unknown |
| Plattsburgh North End Redevelopment Project | Unknown | Unknown | Unknown | Unknown | Unknown |
| Olympic Sports Complex Combined Track Refrigeration | \$500,000. | Unknown | Unknown | Unknown | Unknown |
| Olympic Conference Center Modernization | \$2,000,000. | Unknown | Unknown | Unknown | Unknown |
| Olympic Center 1932 Rink Preservation | \$800,000. | Unknown | Unknown | Unknown | Unknown |
| Olympic Conference Center Mass Transit Station | \$3,500,000. | Unknown | Unknown | Unknown | Unknown |
| Rouses Point Railway Station Restoration | \$600,000. | \$560,000. | \$40,000. | Unknown | Unknown |
| Saranac Lake & Tupper Lake Railway Restoration | \$5,000,000. | Unknown | Unknown | Unknown | Unknown |
| Regional Broadband Infrastructure Project | \$35,000,000 | Unknown | Unknown | Unknown | Unknown |
| Clinton County Airport Redevelopment | \$30,000,000 | \$8,000,000 | \$11,000,000 | \$11,000,000 | Unknown |
| Tech Meadows Solar Energy | \$1,000,000. | \$500,000. | \$500,000. | | Unknown |
| Glens Falls Parking Garage | \$3,000,000 | \$1,500,000 | \$1,500,000 | | Unknown |
| Telemedicine Broadband | \$10,000,000 | \$2,000,000 | \$8,000,000 | | Unknown |
| Beach Road Watermain Replacement | \$2,300,000 | \$1,150,000 | \$1,150,000 | | Unknown |
| Lake George Wastewater Collection System | \$3,200,000 | \$1,600,000 | \$1,600,000 | | Unknown |
| Shepard Park Enhancements | \$100,000 | \$50,000 | \$50,000 | | Unknown |
| Plattsburgh International Airport Water Distribution System | \$3,500,000 | \$3,150,000 | \$350,000 | | Unknown |
| Town of Plattsburgh Air Industrial Park Expansion | \$3,960,100 | \$960,000 | | \$1,000,000 | Unknown |
| Ticonderoga Comprehensive Water Supply System Improvements | \$14,000,000 | \$3,000,000 | \$11,000,000 | | Unknown |

| | | | | | |
|---|--------------|--|------------|--|---------|
| North Creek Sewer System | \$1,000,000. | | | | unknown |
| Essex Road Recreation Park Willsboro | \$500,000 | | | | Unknown |
| Indian Lake Water District #1 | \$300,000. | | \$300,000. | | unknown |
| Lookout Mountain Pipeline (ORDA) Town of Wilmington | \$750,000 | | | | Unknown |
| Olympic Center Parking Garage (ORDA) Lake Placid | \$7,500,000 | | | | Unknown |
| Whiteface Memorial Highway Paving (ORDA) Town of Wilmington | \$10,000,000 | | | | Unknown |
| | | | | | |
| | | | | | |

C. Implementation Schedule

The Regional Planning Board will continue to support projects that are feasible in the marketplace, supported by the community and are at a state of readiness. Resources will be distributed on a first come, first served basis. Projects that meet a state of readiness will be addressed as resources allow.

Staff of the Regional Planning Board are available to assist communities with project identification. Staff work with development partners and stakeholders on a regular, daily basis to identify community needs, opportunities and specific projects. Once projects are identified, the Regional Planning Board works with communities to develop the project.

Specific projects being implemented include:

Intermediary Relending Program - The Regional Development Corporation RLF program remains active. Loans typically average \$100,000 and generate approximately 10 – 15 new jobs.

Revolving Loan Fund Program I, II, & IV – During the past 12 months the Regional Planning Board made 8 loans totaling \$865,000. During 2016 it is anticipated that an additional \$500,000 - \$700,000 in loan funds will be available to support private business development..

Adirondack/Glens Falls Transportation Council – On behalf of A/GFTC, the Board administers approximately \$400,000 in federal and state funding for area wide transportation projects. Council staff members are employed by the Regional Planning Board who work with designated advisory committees to review all transportation projects funded by the federal government in Warren and

Washington Counties. The Council will continue to focus on addressing highway and surface transportation needs.

Water Quality – The Board funds a staff position under a contract with NYSDEC to assist communities with stormwater management permits. A large portion of this work includes assisting communities with infrastructure mapping and offering training sessions to municipal code enforcement officials.

Website – Updates and additions to the Regional Planning Board’s website (www.lclgrp.org) continue on a yearly basis.

Audits – Marshall Associates completed the annual audit of the Regional Planning Board and Regional Development Corporation for CY 2014. No findings were identified.

2015 Newsletter – The Regional Planning Board’s annual report for CY 2015 will be completed and mailed to approximately 1200 addressee’s..

EDA and Rural Development Project Administration – Semi-annual financial reports and progress reports are submitted to the US Commerce Department and US Department of Agriculture covering the Board’s Planning Grant Program and various RLF Programs.

Comprehensive Economic Development Strategy (CEDS) – Updates to the CEDS are completed on a yearly basis. Request for projects proposals are solicited from area communities.

NYS Grant Funding Opportunities – Actively work with local municipalities and area development organizations in seeking state financial support through programs offered under the Clean Water/Clean Air Bond Act and Environmental Protection Fund for such projects as municipal park acquisition and development, historic preservation projects and local waterfront redevelopment activities.

Town of Schroon Business Loan Program – The LCLGRP has signed a contract with the Town of Schroon to administer its local community development RLF Program.

Revised Revolving Loan Fund Plan – The LCLGRP prepared a new RLF Strategy in accordance with EDA guidelines. All RLF recipients must include revised financing policies and portfolio standards that are consistent with EDA’s new policy requirements governing RLF programs.

Carey Industrial Park - LCLGRP staff are working with the Warren County Economic Development Corporation to advance an industrial park project in the Town of Queensbury. Public works funds will be requested from EDA to extend sewer service to this industrial site.

EDA/RLF Funding – Approximately \$10 million was available to NYS to fund economic development work resulting from damages caused by Tropical Storms Irene and Lee. Through this program, the LCLGRP received \$800,000 in new RLF funding. All loan funds were drawn down as of 12/31/15.

Northern Boarder Regional Commission – EDD's are the primary outreach source for this new community/economic development program in select counties in northern New York. This program has been funded through the 2008 Farm Bill.

Warren County Tourism White Paper – The LCLGRP has agreed to partially finance an updated white paper on tourism in Warren County. The intent of the report is to review the current and future health and competitiveness of the tourism industry which has become a key component in the economy of Warren County.

Multi-County Loan Fund – The LCLGRP has agreed to provide service to Warren County EDC in the administration of a recently awarded \$250,000 grant from Empire State Development that would establish a multi-county small business loan fund. This grant will be administered by NYBDC.

V. Evaluation

A. Evaluation Process

An annual program and project evaluation will be completed as a tool to consider changes in programs, policies and priorities. Changes will be incorporated into the CEDS Document and updated on a continuous basis.

Impact measures will be compiled and matched against goals created at the beginning of the year. These totals will be used to develop overall goals and objectives for each subsequent year.

B. Evaluation Measures

An overall program evaluation will be completed at least on an annual basis. Projects and programs will be tracked and reported based on the impact measures established at commencement. Individual projects will be tracked to ensure success. Overall program totals for each year will be compiled and matched against the yearly goals. Each measure will also be assigned a new goal for the coming program year. Where appropriate, new measures will be added to track overall program and project effectiveness.

Below, overall program measures are listed for the coming program year.

| <u>Annual Measures</u> | <u>2016 Goal</u> |
|---|------------------|
| <u>Direct Impact from Revolving Loan Programs</u> | |
| Inquiries Received | 10 - 15 |
| Businesses Assisted | 10 |
| Loans Issued | 10 |
| Loan Funds Expended | \$800,000 |
| Private Funds Leveraged | \$1,600,000 |
| Jobs Retained | 15 |
| Jobs Created | 30* |
| <u>Indirect Impact from Project Coordination</u> | |
| Infrastructure Improved/Extended | 1 project |
| Industrial Land Developed | 15 acres |
| Investments Generated | \$1 million |
| Construction Jobs | 20 |
| Permanent Jobs Created | 50** |

| | |
|---------------------------------|-------------|
| <u>Total Goals</u> | |
| Projects Completed or Initiated | 12 |
| Total Investment | \$3,400,000 |
| Jobs Retained | 15 |
| Jobs Created | 50** |

* Jobs will be created or retained in a two to three year period.

**Jobs will be created or retained in a five to ten year period.

In addition, longer term goals to increase per capita income and the overall economic health of the region will be evaluated annually.

| <u>Long Term Measurements</u> | <u>Goal</u> |
|-------------------------------|-------------------------------|
| Annual Unemployment Rate | less than national average |
| Average Wages | greater than national average |
| Median Household Income | greater than national average |

These long term measures are consistent with the overall program goals to improve the quality of life of residents in the region through the creation of quality, family wage jobs. By creating new employment, the population of the region will stabilize and increase as children remain in the community, rather than leaving the region for better employment opportunities.

Appendix

Table 7. Breakdown of 2002 Location Quotients.

| Was02 | | War02 | | Ham02 | | Esx02 | | Cl02 | | Region | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---|---------------------|---------------------|
| Number of employees | Number of employees | Number of employees | Number of employees | Number of employees | Number of employees | Number of employees | Number of employees | Number of employees | Number of employees | Number of employees | Number of employees |
| 1,416 | 5,384 | b | 1,795 | b | 4,397 | b | 611 | 611 | Educational services | 430,164 | 0.00 |
| 260 | 1,494 | b | 237 | b | 1,231 | g | 62 | 62 | Health care & social assistance | 15,052,255 | 3.72 |
| | | g | | | | f | 621 | 621 | Ambulatory health care services | 4,924,908 | 2.82 |
| | | f | | | | e | 622 | 622 | Hospitals | 5,174,262 | 0.00 |
| | | f | | | | e | 623 | 623 | Nursing & residential care facilities | 2,830,582 | 1.20 |
| | | c | | | | e | 624 | 624 | Social assistance | 2,122,503 | 0.00 |
| 126 | 1,045 | 96 | 214 | b | 114 | 71 | 71 | 71 | Arts, entertainment, & recreation | 1,848,674 | 3.72 |
| | | c | | | | b | 711 | 711 | Performing arts, spectator sports, & related industries | 422,533 | 0.00 |
| | | b | | | | b | 712 | 712 | Museums, historical sites, & similar institutions | 123,098 | 0.00 |
| | | b | | | | c | 713 | 713 | Amusement, gambling, & recreation industries | 1,303,043 | 0.32 |
| 686 | 3,421 | 197 | 1,903 | 72 | 2,550 | 72 | 72 | 72 | Accommodation & food services | 10,120,951 | 3.73 |
| | | a | | | | g | 721 | 721 | Accommodation | 1,813,326 | 3.43 |
| | | f | | | | g | 722 | 722 | Food services & drinking places | 8,307,625 | 1.66 |
| 237 | 702 | 23 | 401 | 81 | 993 | 81 | 81 | 81 | Other services (except public administration) | 3,475,310 | 2.92 |
| 101 | 289 | a | 69 | 811 | 485 | 811 | 811 | 811 | Repair & maintenance | 1,285,371 | 3.16 |
| 91 | 256 | | 110 | 812 | 268 | 812 | 812 | 812 | Personal & laundry services | 1,296,540 | 2.41 |
| | | | | | | 813 | 813 | 813 | Religious/grantmaking/civic/professional & similar org | 893,399 | |

Appendix - Table 7.