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Economic Resiliency Plan

The Chazen Companies, with Camoin 310 and representatives of the Lake Champlain Lake George Regional Planning Board (LCLGRP), led a series of stakeholder focus groups and individual calls in April and May of 2021. A summary of these discussions is provided below.

Agriculture Stakeholders

Agritourism

The agriculture stakeholders generally spoke about what a great year it was for agritourism, which led to some pivoting to take advantage of increased interest in outdoor experiences, including pick your own farms, vineyards, etc. Two challenges for agritourism were keeping customers safe and limitations on traditional events. Stakeholders were uncertain about if this trend would continue and felt that improving lodging options and cellular/broadband were key to sustaining agritourism.

Sales

The agriculture stakeholders cited many struggles with sales since COVID. Pricing limitations for dairy (a commodity product) were a struggle, particularly when combined with the increased expense to produce the products. The dip in the wholesale market and shift from selling to institutions, schools, and restaurants to individuals were also cited by both dairy farmers and vineyards. This shift from wholesale to retail sales raised concerns about associated additional packaging costs. Beef and pork sales, as well as maple sales, were up; stakeholders noted the benefit of the limited region in which maple can be produced as a potential reason. Farmers' markets struggled initially and then pivoted to alternate models, such as delivery CSAs, which were very successful over the past year. Stakeholders noted the benefit of online sales, reiterating the importance of broadband access.

Supply Chain

All agriculture stakeholders struggled with supply chain disruptions and challenges. These included services such as trucking, processing, shipping, and packaging/label approvals. The shortage of processing facilities is a problem that existed pre-COVID and has allowed processors to dictate price (raising costs for farmers). There is little incentive to expand, and, with many processors aging out, incentives to address this shortage needs to be prioritized if thinking about the long-term resiliency of the region. Stakeholders cited several recommendations to address processing and supply chain issues, including enhancing processing logistics and allowing the retail sale of meat that has been processed in State inspected facilities (as opposed to USDA inspected facilities), a model which was recently implemented in Wyoming.

Stakeholders also cited products that were in short supply, such as the plastic jugs used for maple syrup, egg cartons, cream, and wine bottles. Some of these products were difficult to come by because they were being made with products from China, while for others the lack of supply reflected increased (and shifted demand). For example, when farmers pivoted from selling large quantities of eggs to schools to selling direct to consumers (now cooking from home more), farmers sold more eggs in cartons and less in plastic bags.

AGRICULTURE FOCUS GROUP PARTICIPANTS

- Mary Barnhart, *Victory View Vineyard*
- Rebecca Breese, *Holly & Vine Vineyard/Washington County Fair*
- Mark Brown, *Brown's Tree Farm*
- Sheila Flanagan, *Nettle Meadow Farm*
- Todd Giroux, *Clinton County Farm Bureau*
- Laura Trudeau, *Parker Family Maple*
- Shannon Wilkins, *Rulfs Orchard*

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Workforce

Difficulty finding employees was cited as an issue by the agriculture stakeholders, particularly seasonal employees. While some stakeholders indicated a preference for hiring locally, others cited difficulties with J1 and H2A workers¹, including lack of transportation and difficulties protecting them from COVID exposure. Other issues cited included the aging worker population and the need for additional skills as farms become more specialized and technically advanced. Many stakeholders cited the larger issues of lack of motivation to work and supply side issues, with increased wages not being enough to attract workers, and many of the existing agriculture workers cycling between multiple jobs at agriculture operations across the region. Some stakeholders have been increasing their spending to advertise jobs, and have had no luck, despite providing on-site housing. One successful model to help address the need for additional employees for harvests was making it an experience for the public to participate in (while also getting paid).

Investments/Expansions

The agriculture stakeholders discussed their capital needs to either expand or improve their operations with technology. Many farmers have limited borrowing capacity and are in need of more access to capital. Additional capital is needed to invest in new technologies and production practices that not only improve efficiency but are also good for the environment, for farmers, and for the product.

Collaboration

The agriculture stakeholders discussed potential opportunities for improved collaboration. There was previously a farm-to-chef program that could be reinstated as a way to reintroduce the region's great agriculture to the younger generation of restaurants. Some farms have begun sharing harvest equipment, which allows for a faster and more efficient harvest, and are in discussions about sharing HR staff, which is not a full-time job on any farm. Stakeholders also discussed the idea of having a shared warehouse, storage, or shipping for agriculture retail. However, stakeholders also noted that farmers are very independent, so collaborative models run up against the question of collaborator versus competitor.

Other

Other comments noted by the agriculture stakeholders are listed below:

- Many young farmers have stopped, due to challenges faced this past year.
- The Canadian border closure had a huge impact.
- Transitioning farms to a new generation is an issue, with many older generation not wanting or able to give up reigns. This is deflating to that next generation of farmers that might have enthusiasm and energy but can't get the deal done. Without a transition plan, older farmers are opting to sell their land, which sometimes means a conversion of prime agricultural land to another use (e.g., solar).
- There has been a diversification in the types of agriculture operations, which has led to an increase in farms in Washington County, unlike trends seen elsewhere. The region should play off its diversity as a draw to attract visitors.

¹ J1 workers are international college and university students that are given visas for temporary (summer) employment in the U.S. H2A workers are foreign workers who are given a visa to fill temporary agriculture jobs.

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Health Care Stakeholders

Workforce

Stakeholders cited difficulties finding employees, which existed pre-pandemic but has worsened over the past year. Specific jobs that have been difficult to fill include entry level positions, long-term care, and nurses (a predominantly female workforce that is bearing the brunt of the struggles when balancing child care needs). While the area has many advantages that are attractive to potential employees, there is often the issue of lack of employment options for spouses. Health care is a challenging field that needs to be the right fit, and this past year has left many people burnt out. The stakeholders also noted the difficulties competing directly with the hospitality industry, particularly in the summer and with the increased use of local labor force to fill hospitality jobs. Other difficulties finding employees include restrictions crossing the NY/VT and US/Canada border and NYS reducing available nursing training programs.

Programs and changes that have been implemented to address the workforce shortfall include lessening restrictions on who can fill pharmacy and lab tech positions, providing greater flexibility by offering remote work, and issuing paychecks more regularly (daily or weekly), which is especially attractive to entry level employees. Other ideas that are beginning to be discussed include tapping into the veteran worker population to get CNA certifications, engaging earlier with high school students (beginning in 7th/8th grade), and collaboration with community colleges who have seen reduced enrollment to promote the career progression opportunities in healthcare. Stakeholders noted the importance of elevating and celebrating health care professionals and also highlighting the opportunities for growth and great benefits available to health care professionals.

Unique Regional Needs and Approaches

The stakeholders discussed the unique regional healthcare needs of the area, which includes serving the elderly, chronically ill, prison population, second home residents, and Adirondack Park visitors. The needs shifted over the past year, with an increase in psychiatric care, an increase interest in telemedicine and mobile healthcare vans, and a shifting public preference for smaller facilities over larger centralized hospitals. The stakeholders noted the need to promote behavioral changes and promote health and wellness to address the regional population's chronic health issues. The lack of transportation and the geography of the region requires unique approaches to addressing health care needs that may require more flexibility in health care regulations to implement. The stakeholders cited the pediatric model, which operates 7 days a week, as a flexible model that other health care providers – particularly primary care providers - should explore to make it easier for the population to have continuation of care. The stakeholders noted the need for improvements to the aging hospital infrastructure across the region, but the difficulty getting attention and funding at small regional hospitals. Health care needs to be seen as essential infrastructure. Whether attempting to attract a new manufacturer or new talent to the region or caring for existing needs; healthcare infrastructure is a key consideration by decision makers.

Other

Other comments noted by the health care stakeholders are listed below:

- Health care providers in the region collaborate and have built stronger relationships with other organizations over the past year.

HEALTH CARE FOCUS GROUP PARTICIPANTS

- Sylvia Getman, *Adirondack Health*
- Carrie Howard-Canning, *CVPH*

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- Several supply chain disruptions were noted including medications (now mostly stabilized), laundry services (previously done in Canada), and agricultural produced used in farm to patient programs. Some services that were previously outsourced (such as lab testing) have been brought in-house to avoid future delays and disruptions.
- Child care was cited as an issue that existed pre-pandemic, with few options, and many closed during the summer months. Local agencies like the YMCA have been developing innovative solutions to address gaps when schools switched to the hybrid model.

Manufacturing Stakeholders

Workforce

The shortage of available workforce has been an issue for manufacturing since before the pandemic began and is partially due to misconceptions about industrial jobs. Work is being done to communicate to high school students and other populations about the opportunities that exist in some of the high tech manufacturing environments. The challenges of shift work on the family were noted, and exploring fixed shift and alternatives to address this. Other issues need to be addressed to attract people back into the workforce, including child care and housing. The lack of child care is often cited as an inhibitor to working, especially for entry level positions, which are the hardest to fill. Increasing eligibility for child care subsidies could help. Housing needs are across the income spectrum. Automation, which is being used by manufacturers, is not having a huge impact addressing workforce needs, and requires training workers in how to use the equipment.

MANUFACTURING STAKEHOLDER PARTICIPANTS

- Donna Wadsworth,
International Paper
- Joel Wood, *NamTrans*

Strengths, Weakness, and Opportunities

The cluster model for transportation industries around Plattsburgh, along with low tax rates and equal/lower salaries in the US, versus Canada, were all cited as strengths attracting industries to locate in the area. Weakness for the industry include a reliance on federal funding to State transit authorities (a primary customer for the region's transportation industries), reliance on easy cross-border travel, which has been restricted for the past year, and shortages on available turn-key sites with infrastructure. There is high demand for additional machinery and painting and powder coating (which are currently supplied from outside of the region), which could be done in the region, absent the ongoing workforce issue. There are also opportunities to shift to more electric bus manufacturing, building off Novabus, including developing a comprehensive electric bus training program as a way for young people to get involved in the field.

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Small Business Stakeholders

Workforce

The small business stakeholders all cited workforce shortages and an inability to even hire back those who had been furloughed at the start of the pandemic. Small businesses are increasing their minimum pay and expanding their workforce recruitment net – both added costs that are difficult to bear. Without sufficient workforce, small businesses are unable to grow or even operate at full capacity. Some small businesses cited that the absence of workforce has made them shift to other models – such as hiring J1 workers or automating tasks – which they are finding to be a more profitable way to do business and so may opt to reduce their local employment permanently.

Many stakeholders cited the continuation of increased unemployment benefits, which were started for a good reason, as being an impediment to returning to the workforce. Stakeholders stressed the importance of communicating the abundance of jobs to the State and Federal government and also the need to require proof of searching for work to get the benefit.

Succession Planning

Many regional business owners are aging out and need to begin planning for succession planning. This is particularly difficult for small businesses, some of which operate out of homes, and with few employees, succession options are limited. Educating business owners on succession planning early on is key, as the process typically takes three to five year. The need for succession planning is also key to other small businesses who rely on those businesses for products and services. Attracting people to the region, showing that these opportunities exist, and providing technical support to small businesses is important.

Renewed Investment

There was generally a sense of hope among the small business stakeholders, with new businesses opening and an increased interest in investing locally. While the pandemic hit businesses that existed pre-COVID hard, for those opening up during the pandemic, with little to start with, they are not hurt as badly. There is a sense that this trend is going to continue, with increased remote workers and high tourism demand.

Other

Other comments noted by the small business stakeholders are listed below:

- The child care situation is terrible. Opening a new child care center is financially difficult: even when paying staff minimum wage, it is difficult to cover the costs given what could be expected in tuition revenue. There needs to be more money to help start day care facilities and to subsidize day care.
- The region needs more middle income (workforce) housing. If private developers are only thinking of the bottom line, they will always choose to build higher end housing over middle income housing.
- Ticonderoga Revitalization Group has a “Students in the Field” internship program and a scholarship program to pay for recipients to get their associates degree in a skill that is needed in the area.

SMALL BUSINESS FOCUS GROUP PARTICIPANTS

- Chris Ericson, *Adirondack Brewery & Big Slide Brewery*
- Juan Gonzales, *Hunt Companies*
- MariAnne Rapple, *Fox & Fern*
- Lauren Richard, *ANCA*
- Donna Wotton, *Ticonderoga Revitalization Group*

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Tourism Stakeholders

Workforce

All tourism sector stakeholders indicated that staffing was their biggest problem, but noted that it was not a challenge unique to the region. Businesses that had shifted from hiring J1 workers to college students during the 2020 tourist season are now finding those workers are no longer available. Both J1 and college students also have the limitation of only being available outside of the academic year, which is not sustainable for a region seeking to transition to more year-round tourism. Businesses are having to search further afield, fly in candidates, increase wages, and provide housing, transportation, and other services to attract workers; even businesses that provide staff housing are finding difficulty attracting workers. It is hard for businesses to take on these additional costs without them being passed on to the customer, which has implications on the area remaining an affordable vacation destination.

Stakeholders suggested leveraging the SUNY system more, highlighting success stories and the potential for upward mobility, and building off existing programs, such as the PUSH Program, SUNY Adirondack, and the Unemployment job search function. Stakeholders also noted the importance of switching to more year-round tourism – the easiest way to double someone’s income.

Housing

Housing is a huge factor in recruiting employees, and several potential new solutions and models were discussed, including developing a work/stay model with AirBnB, rehabbing existing housing/partnering with community revitalization initiatives, addressing eviction concerns that prevent owners from renting to non-J1 workers, and collaborative dormitory housing. Stakeholders also cited the shift in demographics of those with second homes in the region, with second home purchasers living increasing further away and staying in their homes less frequently, and thereby contributing less to the local economy.

Tourism Demand

Stakeholders discussed the record tourism numbers. The new tourists had different preferences and outdoor recreation experience. Businesses shifted to meet these different preferences. Stakeholders wondered how sustainable the 2020 tourism season would be: New visitors were just happy to not be home, but how quickly will tourists return to wanting a more curated experience? Marketing is key to keeping the region competitive and getting these first-time visitors to come back, and the pros and cons of having tourism be handled within the government versus by an outside organization was discussed.

Also key are expanding the tourist season, spreading out demand across the region, and increasing diversity. The 2020 tourism season was longer than in years past and businesses are beginning to think more year-round in their offerings. The ability to travel to different locations throughout the region should be promoted, and innovative solutions, such as funding shuttles through occupancy tax, should be explored to address overcrowded trails and

TOURISM FOCUS GROUP PARTICIPANTS

- George Cordes, *Adirondack Lakes Center for the Arts*
- Frank Dittrich, *Inn at Erlowest*
- Andy Frey, *The Woods Inn*
- David Kahn, *Adirondack Experience*
- Beth Hill, *Fort Ticonderoga*
- James Lemons, *Lake Placid Center for the Arts*
- Tom McNichols, *Strand Center for the Arts*
- Connie Perry, *Frisky Otter Tours*
- Emily Stanton, *ORDA*

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roads. The region should seek to increase the diversity of its tourists – an opportunity to further grow the tourism market and lessen the cultural divide in the region.

Collaboration

Several examples of collaboration that is already occurring, including weekly meetings between hoteliers and businesses working together to diversify offerings. More could be done to promote the region collectively, rather than piecemeal/county by county. Other potential opportunities to collaborate that should be explored include offering joint tickets to museums and arts venues across the region, and more organized collaboration between tourism destinations (arts/cultural institutions; outdoor recreation) and hotels. Tourists staying in hotels should have one place where they can find out about all of the activities and attractions near them.

Other

Other comments noted by the tourism stakeholders are listed below:

- Events represent a large percentage of some tourism businesses revenue and have been stopped and/or reduced for the past year. Businesses are anxious to begin hosting events again, but wary of financial liability of meeting State guidelines. With neighboring states having different regulations, it is balance of safety and needing to attract customers.
- The arts sector was hit especially hard and many arts organizations will remain shuttered until the fall. Perception that many individual artists are not eligible for assistance, with many not knowing that resources like the SBLF exist.
- Replacing septic systems with sewers along the lake is critical for water quality and protecting this lifeblood of regional tourism.
- The pandemic sped up the launch of online programming, which has allowed cultural institutions to extend their reach, but is limited by broadband availability.
- Native American Art Fairs are a potential opportunity for the region, with the closest currently in Maine.

Economic Development Stakeholders

Workforce

Economic development stakeholders noted the influx of people moving to the region, but, despite this, the difficulty filling local positions. At the same time, it was noted that the workforce shortage is not a problem that is unique to the area. Addressing the issue involves keeping young people here and attracting new residents to the region. Problems that need to be addressed include day care, transportation, educational support, and housing.

Stakeholders discussed recent initiatives they have launched to address the issue, include regional jump boards, major campaigns with expanded reach, and branded outreach promoting the region's quality of life. It is time for a cultural shift in the region to not be as reliant on J1 employees.

ECONOMIC DEVELOPMENT FOCUS GROUP PARTICIPANTS

- Carol Calabrese, *Essex County IDA*
- Matthew Courtright, *Ticonderoga Area Chamber*
- David Champagne, *TDC*
- John Demarest, *NYSDOS*
- Kelly Eustis, *Greenwich Chamber of Commerce*
- Gina Mintzer, *Lake George Chamber of Commerce*
- Rob Wick, *Essex County Community Resources*
- Kyle Wilbur, *NYSDOS*
- Christy Wilt, *Hamilton County IDA*

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Housing

Specific issues related to housing include the lack of affordable/workforce housing and multifamily housing. Potential models that have been or should be explored were discussed, including a previous fund (Adirondack Housing Trust) to fund workforce housing, the housing to be constructed for the University Games in Lake Placid, potential housing pods that could be moved between summer and winter destinations to house workers, and staff glamping facilities. Providing housing for staff is not a new model and will be a key benefit to attract workforce. Stakeholders also noted that the fact that the private sector is not building the needed workforce housing indicates that it is not economical and will require public involvement/investment. Other models in mountain resort areas should be explored.

Infrastructure

Available and adequate water and sewer infrastructure is needed to facilitate new economic growth. Inadequate infrastructure also results in added expense to local businesses (e.g., damaged equipment, water softening systems). The intensity of water/sewer demand far outstrips current federal funding, with funds needed to both expand infrastructure and upgrade aging systems that are already charging high rates to residents. If water/sewer bills too high, businesses will choose to locate elsewhere.

Other

Other comments noted by the economic development stakeholders are listed below:

- The pandemic forced many businesses to create or upgrade their websites, but there is still the issue of inadequate cellular and broadband in the region.
- Supply chains should be mapped to identify weaknesses. The pandemic showed that anything in the medical device, biotech, and life sciences sector would be an opportunity, as many of these products are produced outside the region (and country).
- The pandemic led to increased collaboration, and there has been a lot of good coming out of these collaborative discussions. Increased collaboration between chambers, and smaller chambers working with larger chambers allow the smaller chambers to be an on-the-ground organization supported by a larger entity.
- The region's needs to satisfy the new food waste regulations should be evaluated and addressed.
- The region needs to continue to link up with Canadian businesses that have an interest in locating in the US, but have been stymied from site visits, etc. over the past year.