

DELIVERING

LEADING THE ECONOMIC RENAISSANCE OF NEW YORK'S SMALL CITIES AND RURAL COMMUNITIES
NORTH COUNTRY REGIONAL ECONOMIC DEVELOPMENT COUNCIL PROGRESS REPORT 2012

CO-CHAIRS Anthony “Tony” G. Collins, Ph.D., *President, Clarkson University*
 Garry F. Douglas, *President, North Country Chamber of Commerce*

GENERAL MEMBERS Cali Brooks, *Executive Director, Adirondack Community Trust (ACT)*
 John R. Donoghue, *President, Plattsburgh-Saranac Lake Building and Construction Trades Council*
 John Ettling, Ph.D., *President SUNY Plattsburgh*
 Kate Fish, *Executive Director, Adirondack North Country Association*
 Jon Greenwood, *Dairy Farmer/Former VP of NYS Farm Bureau*
 Bridget Hart, *President, Kinney Drugs*
 Hugh Hill, *Executive Director, Malone Chamber of Commerce*
 John Martin, *Operations Director, Alcoa Inc.*
 James McKenna, *President & CEO Lake Placid Convention Center and Visitors Bureau / Regional Office of Sustainable Tourism*
 Carl A. McLaughlin, *Executive Director, Fort Drum Regional Liaison Organization*
 Anne L. Merrill, *Executive Director, Lewis County Chamber of Commerce*
 William P. Murray, *Executive Director, Council for International Trade, Technology, Education & Communication*
 David Tomberlin, *Owner, Well-Dressed Foods*
 Mark E. Tryniski, *President & CEO, Community Bank, N.A.*
 Donna Wadsworth, *Communications Director, International Paper Company – Ticonderoga Mill*
 Lisa Weber, *CEO, Timeless Frames and Timeless Décor*
 Daniel Wilt, *President Wilt Industries*
 James W. Wright, *Executive Director, Development Authority of the North Country*

ELECTED OFFICIALS Hon. Kenneth Blankenbush, *Member of NYS Assembly*
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 Hon. Marie Regan, *Supervisor, Potsdam*
 Hon. Patricia Ritchie, *Member of NYS Senate*
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Teddy Roosevelt, an Adirondack enthusiast, provided this guidance to those questing to achieve great things:



*“Do what you can,
with what you have,
where you are.”*

DELIVERING A Journey Well Started

“There is a palpable feeling in the North Country of new energy, of success... a real sense of pride that things are going well.”

-Governor Andrew Cuomo

A LITTLE MORE THAN A YEAR AGO, what we had in the North Country was a mission to quickly unify more than thirty disparate leaders and create a comprehensive, multi-faceted economic development plan for a vast seven-county geography with no metro center, no dominant clusters, no tradition of partnership and cooperation and therefore no existing plans to start from. We faced a blank sheet of paper.

BUT THIS STARTING POINT became exciting rather than overwhelming as what we also had was a long awaited opportunity to tell a Regional story that is at once both unique and remarkable, and to create cohesive strategies tailored to the North Country’s specific assets, challenges and opportunities. Unburdened by any past plans or decisions, we could at last escape our long-standing fate of trying with difficulty to fit into State-wide, top-down economic development programs that were never created to suit our diversity, our geography, our smaller scale or some of the special circumstances of “where we are” - for example, being home to most of the 6 million acre Adirondack Park and standing as New York’s international gateway to Canada.

WE QUICKLY SAW THAT, while we had never come together before as a seven-county Region, we possessed great collective talent and assets, a commonality of basic vision and determination, and a realization of how much more we could achieve together.

DOING “WHAT YOU CAN” became, for us, not only the creation of a vision, plan and strategies, but the foundation and basis of an entirely new platform for Regional cooperation and progress - one premised upon mutual respect, shared support, bottom up participation, adherence to established processes and criteria, and the determined delivery of very real results.

AND SO WE HAVE, indeed, done what we can, and we can now do even more than ever before. We now know what we have, and we have the strategies and consensus to make the most of all that we have. And we know where we are, not only geographically, but in terms of our economic opportunities and the enhanced progress we are now making in converting our opportunities into reality for the people of the North Country.

NEVER HAVE THE DIVERSE COUNTIES of the North Country been so energized and so collectively focused on movement toward a single goal: Implementation of the Regional Economic Development Strategy. The 2011 “Best Plan” award-winning strategy invigorated a region which has long felt left behind and the \$103 million award provided the resources to begin serious implementation. In fact, the Region recently approved the largest single allocation of Industrial Revenue Bonds for CFA Round 1 in the State. While the fact that diverse sectors of the North Country economy came together to create the plan was almost reward enough, the recognition by New York State that it was a job well done spurred an even greater effort to synchronize implementation and paved the way for significant success and progress on all fronts.

THE NORTH COUNTRY’S VISION is to “*Lead the Economic Renaissance of New York State’s Small Cities and Rural Communities*” by leveraging our own natural and human capital with State and private investments. A year ago we showed how much we had been doing without the full partnership of the State and promised that we would do extraordinary things if only the State joined with us. Our preparation and our innovative new partnership with the State have converged to generate outstanding progress towards achieving our Vision.

THE VISION

The North Country Will Lead The Economic Renaissance Of New York State's Small Cities And Rural Communities.

WE WILL

ENERGIZE OUR MICROPOLITAN CITIES, BUILDING ON GROWTH IN THE AEROSPACE, TRANSIT EQUIPMENT, DEFENSE, BIOTECH, AND MANUFACTURING INDUSTRIES.

ATTRACT AND NURTURE ENTREPRENEURIAL PIONEERS TO CULTIVATE INNOVATIVE CLUSTERS IN OUR RURAL COMMUNITIES.

MOBILIZE THE CREATIVITY AND CAPACITY OF THE GRADUATES OF OUR OUTSTANDING PLACES OF HIGHER EDUCATION.

CATALYZE THE HIGHEST PER CAPITA RATE OF SMALL BUSINESS START-UPS IN THE STATE.

ELEVATE GLOBAL RECOGNITION OF THE REGION AS ONE OF THE SPECIAL PLACES ON THE PLANET TO VISIT, LIVE, WORK AND STUDY.

ACTIVATE TOURISM AS A DRIVER TO DIVERSIFY OUR ECONOMIES.

PROPAGATE AN AGRICULTURAL REVOLUTION AS WE HELP FEED THE REGION AND THE WORLD.

CREATE THE GREENEST ENERGY ECONOMY IN THE STATE.

Actualizing this Vision will create family-sustaining jobs and build an innovative economy, capitalizing on our abundant natural capital — pristine waters, productive forests and agricultural lands; the splendor of the Adirondacks; and our dynamic international border.

***Energize our micropolitan cities,
building on growth in the aerospace,
transit equipment, defense, biotech
and manufacturing industries.***



“Recent contract awards from New York City and San Francisco could total nearly \$1.5 billion.”

OUR SMALL CITIES - Watertown, Ogdensburg and Plattsburgh, together with other key communities - are experiencing an economic renaissance and substantial job growth.

WE HAVE INVESTED over \$13 million in Consolidated Funding for projects from manufacturing to transportation, and for housing to support Fort Drum. In the process, we have leveraged over \$100 million in private capital and other funds for these critically important projects.

THE \$2.5 MILLION INVESTMENT in Bombardier’s \$25 million project in Plattsburgh expands both the manufacturing plant and a state-of-the-art rail car test facility, positioning the firm for greater manufacturing capacity and flexibility for future growth. Recent contract awards from New York City and San Francisco could total nearly \$1.5 billion, and establishes the Bombardier Plattsburgh facility as an international center of excellence for 21st century transportation equipment.

A \$6.4 MILLION INVESTMENT by the State in \$90 million of housing construction to support Fort Drum solidifies the U.S. Army’s presence in Northern New York. Fort Drum’s activities represent a \$2.2 billion annual contribution to the Regional and State economy. Community and State support for the post is strong and is recognized by the Department of Defense which is considering additional missions for Fort Drum, including potentially a northeast missile defense site.

TRADITIONAL MANUFACTURING businesses in the paper and dairy industries are moving forward on expansion activities that will protect existing jobs, create new job opportunities, and support second and third order jobs from suppliers and service providers in the host communities.

DELIVERING ON THIS GOAL will require continual commitment as our Region’s major businesses are impacted by national and international economic trends.

Attract and nurture entrepreneurial pioneers to cultivate innovative clusters in our rural communities



“Small business incubators at local universities are supporting the next generation of entrepreneurs by fostering tech transfer.”

SMALL BUSINESSES OF ALL KINDS – from entrepreneurial and innovative to mainline and traditional – characterize the North Country’s economy. The Region’s demographic realities dictate that the Council’s investments must generate big results from small businesses, with a special premium put on those that involve innovative start-ups.

IN 2011 THE COUNCIL INVESTED in several priority projects that involved entrepreneurial and innovative businesses. A Regional Council investment of \$130,000 in North Country Pastured’s mobile processing technology will soon help farmers sell their chickens in local and Regional markets. An investment of \$1.2 million enabled the implementation of projects by two innovative North Country internet service providers to install broadband in rural Hamilton County. Another project (with Trudeau Institute) focused on the vital cluster of bioscience businesses in and around Saranac Lake – home to companies like Bionique, Myriad RBM, and ActivMotif.

THE 2011 CFA AWARDS included funding of six micro-enterprise grants that will support entrepreneurial and innovative businesses. One of them is focusing on training and funding artists who will create businesses through which they can sell their work. Small business incubators at local universities are supporting the next generation of entrepreneurs by fostering tech transfer. For example, over 20 companies are operating at the Clarkson University Incubator.

IN 2012 THE NORTH COUNTRY COUNCIL has prioritized three projects with innovative and entrepreneurial business proposals – Adirondack Meat Company (local food production), Curran Renewable Energy (new energy efficient production technology), and Current Applications (bringing a new electric motor into production). In addition, the Council has prioritized funding for the Community Transformation Tourism Fund that will concentrate on providing novel financial assistance to small tourism businesses and the Value Added Agriculture Program Loan Fund that will make capital available to agricultural producers. Small successes in such enterprises create disproportionately significant impacts in communities where the intensity of economic activity is decentralized widely.

Mobilize the creativity and capacity of the graduates of our outstanding places of higher education



“The first-ever meeting of the Region’s colleges and universities was convened to identify collaborative efforts.”

THE REGION’S 10 COLLEGES and universities continue to thrive despite the challenging economy because of the value they bring both to the education of the students they exist to serve and to the towns, villages and the Region they call home. In addition to the economic benefits associated with the increased enrollment of students throughout the Region, each institution has pursued various avenues to advance the research and development of new innovation, technology, and opportunities created by students and faculty alike on their campuses. Regional technology development funds are also in place to support provide projects for new projects within the Region. Millions of dollars are funneling into the Region to support research on the campuses.

CAPITALIZING ON THE MOMENTUM of the Regional economic development construct, the first-ever meeting of the Region’s colleges and universities was convened to identify collaborative efforts in research, entrepreneurial training and scholarship support across the Region. A key strength of the Region’s academic institutions is that there is little significant overlap in specialties and foci and the breadth and depth of learning and research is, therefore, astonishing. It is no wonder that Senator Kirsten Gillibrand chose to announce new legislation known as the America Innovates Act at Clarkson University. The bill would create an Innovation Bank with a pool of grant money available for scientists and researchers to strengthen the “proof of concept” necessary to push a discovery from the idea stage to commercial success. The money could be used to test products, hire staff for experiments, expand labs, and fund business incubators. It could also give graduate students a second level of training in subjects needed in the corporate world, such as how to apply for patents and develop a business plan.

THIS VISION HAS ADVANCED through the individual efforts of our colleges and universities and through development of a new era of Regional collaboration and synergy between them.

Catalyze the highest per capita rate of small business start-ups in the State



“The Council funded nearly a dozen waterfront and community asset projects that are aimed at complementing private sector investments.”

SMALL BUSINESS is the economic backbone of New York. Small and micro enterprises are an even greater part of the economy of the North Country. From the Adirondacks, to our agricultural areas, to our diverse small communities, the scale of our economy and of our business community is decidedly smaller on average than anywhere else in New York. This has long been a key challenge for the North Country as it endeavored to work within past State approaches to economic development that were top down, highly prescriptive and generally favoring larger investment and job creation numbers.

THE NEW REGIONAL COUNCIL process freed all of New York’s Regions to consider new approaches to small business development. This was especially important to the future of the North Country, and has been embraced with enthusiasm. The Council engaged small business development interests across the Region in an entirely new level of partnership, planning and shared purpose.

THE NORTH COUNTRY has long had a decentralized but active network of small business assistance programs. Among them are the entrepreneurial training and mentoring programs delivered by Clarkson University, the Region’s three Small Business Development Centers (Canton, Plattsburgh, Watertown), and the Adirondack Economic Development Corporation (AEDC). In addition, various local, county, and Regional municipalities and economic development organizations manage small business loan funds. Those managed by the North Country Alliance and the AEDC are probably best known of these, but there are dozens more that focus on small communities in the Region.

IN 2011, THE STATE identified and funded through the Regional Council process six micro-enterprise grants aimed at adding value to businesses that build on various community assets and resources. The Council also funded nearly a dozen waterfront and community asset projects that are aimed at complementing private sector investments in communities. In addition, the Council funded four “performing arts” projects aimed at revitalizing and expanding the arts as community drivers for revitalization. In addition to 2011 CFA funds, there were numerous local planning efforts along waterfronts and Main Streets in the Region that were initiated or completed this first year and will create pipeline projects for 2012 and 2013 CFA and non- CFA implementation projects.

IN 2012, THE COUNCIL has prioritized the creation of an innovative Community Transformation Tourism Fund (to be managed by the ADEC) that will complement small businesses initiatives to rejuvenate the Region’s small business tourism infrastructure. This is just one example of the way the Council has created Regional collaborations among and synergies with entrepreneurs and public agencies to advance its small business start-up vision.

Elevate global recognition of the region as one of the special places on the planet to visit, live, work and study



“Construction is underway for a \$45 million expansion of the Performing Arts Center at the world renowned Crane School of Music.”

THE NORTH COUNTRY is enjoying a renewed sense of excitement about its assets and opportunities since receiving one of the Best Plan awards in 2011. At the August 21, 2012 State-wide summit meeting for the Regional Councils, Governor Cuomo said he feels a real sense of pride in the North Country now, and a Regional feel that didn't used to exist. He said a Region needs to buy into a plan if it's going to be successful in springing back up from economic depression, and that's what's happening in the North Country.

TRANSFORMATIONAL PROJECTS and initiatives are happening around the Region, from the opening of the Adirondack Carousel in Saranac Lake to groundbreaking for the Adirondack Public Observatory in Tupper Lake that will offer state-of-the-art astronomical research into the Dark Skies of the North Country. The Common Ground Alliance Forum's visionary Adirondack Futures project, resulting in a 93% alignment on a 25-year vision for the Park, is attracting national attention. The Region's 10 colleges and universities are experiencing increases in enrollment despite the economy. The Champlain border crossing, north of Plattsburgh, reports a 16% increase and the Thousand Islands saw an increase of 11% in Canadian passenger cars traveling south since Jan 2012.

GOVERNOR CUOMO and DEC Commissioner Martens recently announced the largest single addition to the Adirondack Forest Preserve in more than a century - the acquisition over the next five years of 69,000 acres of economically and ecologically valuable lands in the Adirondacks. Governor Cuomo summarized the State's commitment as “investing in the asset.” *“Adding these properties to the Forest Preserve protects the incomparable and breathtaking natural resources of this Region,”* Governor Cuomo said. *“Today's agreement will make the Adirondack Park one of the most sought after destinations for paddlers, bikers, hunters, sportspeople and snowmobilers. Opening these lands to public use and enjoyment for the first time in 150 years will provide extraordinary new outdoor recreational opportunities, increase the number of visitors to the North Country and generate additional tourism revenue.”*

THE INTERNATIONAL STUDENT BAROMETER ranked SUNY Plattsburgh as a *“a world class institution”* and as #1 in overall satisfaction, learning support and performance feedback.

CONSTRUCTION IS UNDERWAY for a \$45 million expansion of the Performing Arts Center at the world renowned Crane School of Music at Potsdam State University of New York. The Center will help the school attract talented students from all over the country and the globe.

THIS VISION HAS BEEN ADVANCED through individual and collective efforts across the Region, working with the State to enhance one of the State's greatest assets. 2013 plans include initial steps toward development of a North Country product branding project.

Activate tourism as a driver to diversify our economies



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Percent that passenger car entries from Canada increased at the Champlain border crossings from 2011 to 2012

“Investments in destination attractions and accommodations will deliver transformational impacts across the Region.”

THE NORTH COUNTRY Regional Economic Development Council believes that investments in destination attractions and accommodations will deliver transformational impacts across the Region. The Regional Council supported two priority projects in 2011: the \$3.2 award for the 106 room Krog & Hart Hotel in Clayton, and a \$397,000 award for the restoration of the Strand Theater in Plattsburgh.

THE COUNCIL WORKED with ESD to restructure the Community Tourism Transformation Fund for resubmission as a pilot program. In addition, the Tourism Work Group has proposed the concept of Tourism Hub Communities as a means of strategically leveraging private sector investment.

OTHER TOURISM PROJECTS that have progressed independently and support the Council’s vision include construction of a new 90 room hotel in Lake Placid and ground breaking for the Adirondack Public Observatory in Tupper Lake. Projects such as these draw and keep visitors to the Region, and will continue as a high priority focus of the Regional Council.

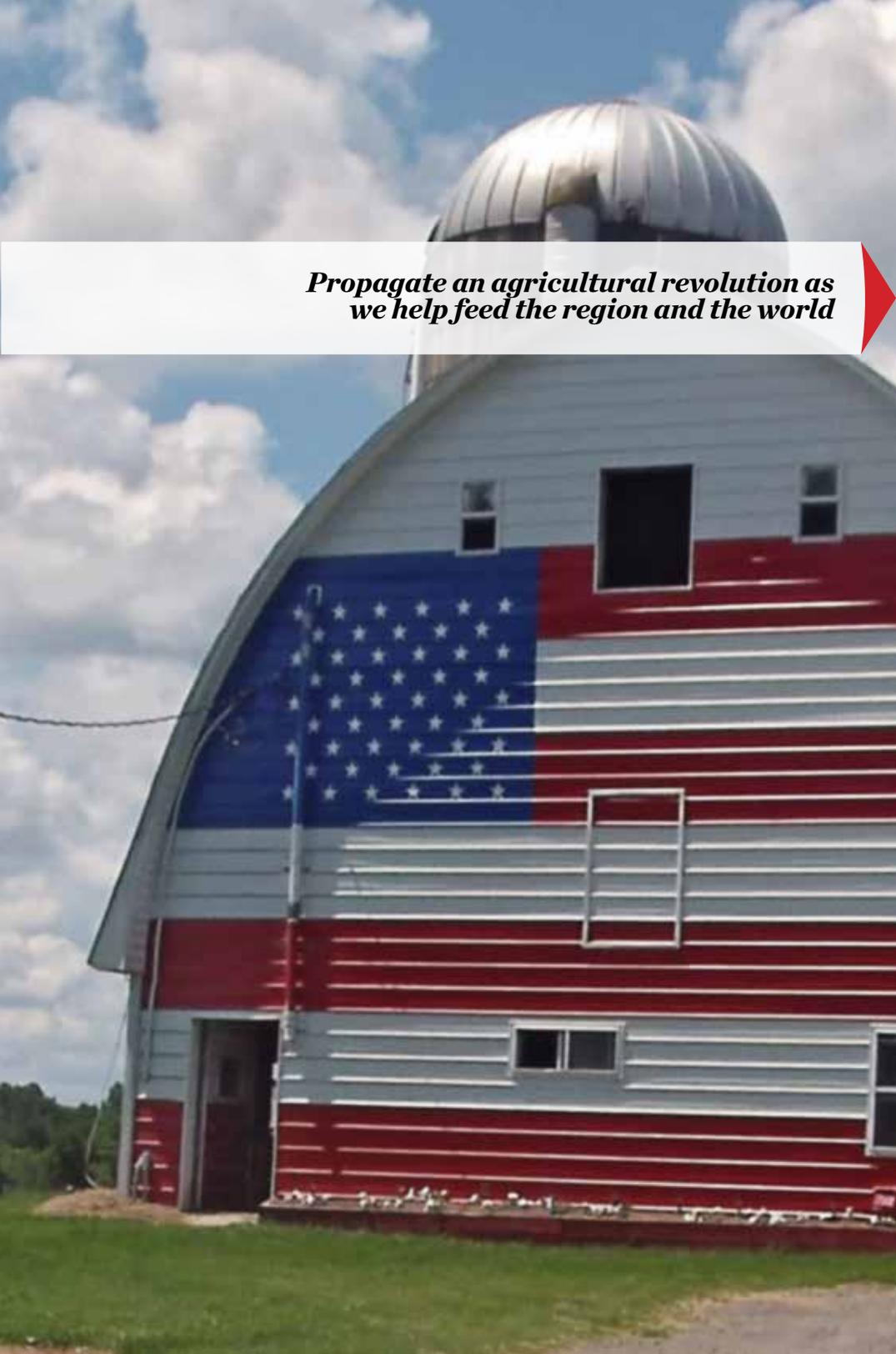
COOPERATIVE TOURISM planning efforts in Clinton and Essex Counties have focused on local waterfront planning for tourism projects. The success of this effort is evident in the on-going redevelopment of the Plattsburgh City Beach and the Ticonderoga Saw Mill.

THE COUNCIL HAS ALSO placed a priority on advancing projects in communities along the miles of river corridors and scenic highways that transect the Region. In 2011-12 we helped advance Blueway Trail projects along the Black and Raquette Rivers. For the 2012 CFA we amended our strategy to put more emphasis on community projects that strengthen these corridors. The Region also launched the North Country Scenic Byway and Bike the Byways web site establishing a portal for

visitors to explore the Region’s 1000+ miles of designated Scenic Byways. In the coming year we look forward to advancing legislation to establish the Black River and Maple Traditions Scenic Byways in the western part of the Region. As the Path Through History program develops, the Council looks forward supporting integration of these initiatives with it. As the Path Through History program develops, the Council looks forward supporting integration of these initiatives with it.

THE NORTH COUNTRY has also been very successful at winning bids and hosting international events including: fishing tournaments in Eastern Lake Ontario, Lake Champlain and the St. Lawrence River; extreme sporting events; and cultural experiences at our nationally and internationally recognized museums and arts centers.

Propagate an agricultural revolution as we help feed the region and the world



“Our dairy farms are supplying milk to the two leading upstate New York Yogurt producers – Chobani and FAGE.”

THE NORTH COUNTRY’S agricultural businesses and 4,300 farms are benefiting from three national trends – the growth in the local food movement; the exponential growth in American consumption of Greek Yogurt; and the conversion of marginal agricultural lands to produce next generation biomass crops. Increasing demand for local foods from restaurants, institutions and residents is creating opportunities to start new businesses that solve long-standing processing and distribution challenges.

NEW YORK STATE IS ONE of the leading producers of Greek yogurt, which requires 3 pounds of milk for every pound of yogurt produced compared to the 1:1 ratio for regular yogurt. Our dairy farms are supplying milk to the two leading upstate New York Yogurt producers – Chobani and FAGE. And the recent investment by USDA in planting 3,500 acres in willow biomass crops to supply the growing biomass energy market is helping farmers use lands that were otherwise not in production.

TO ESTABLISH, RETAIN AND EXPAND the presence of value-added production facilities in the North Country, the Council invested in a mobile poultry processing unit which represents the first USDA- certified poultry processing facility in northern New York. This mobile unit will allow North Country farmers to readily access a meat processing facility and engage in direct marketing sales with stores, restaurants, schools, hospitals, and institutions of higher learning.

Due to an overwhelming level of interest by area farmers, North County Pastured expects to exceed its initial production goal of processing 10,000 chickens annually with just two producers. An additional thirty farms have expressed interest in having their poultry processed by the unit. This overwhelmingly positive response has resulted in establishing partnerships with business management company Sparx, North Country Grown Cooperative, GardenShare, and Cornell Cooperative Extension to establish a Regional Food Hub that would coordinate the storage, processing, marketing and distribution of locally grown and raised foods with area producers.

The Council also invested in the presence of value added production in the Region by re-allocating \$400,000 in priority project funding to an existing value-added, dairy production facility in Lewis County that will enhance its production capacity, ensure the retention of 300 employees, and create four to eight new positions. The proposed Value-Added Agriculture Loan Fund will help farmers with projects that increase productivity & yields and support non-farm agricultural producers.

IN AUGUST, CONSTRUCTION BEGAN on a 48 mile, \$41 million natural gas pipeline in St. Lawrence and Franklin Counties that will help to secure the future of two major dairy processing companies: Upstate Niagara Cooperative and Agri-Mark/McCadham Cheese.

A VARIETY OF WELL-KNOWN dairy companies in the North Country such as Kraft Foods, Agri-Mark, Upstate Niagara Cooperative and Great Lakes Cheese are making significant contributions and investments in the Region’s agricultural value-added industry.

OTHER NORTH COUNTRY COMPANIES are also investing in the expansion of value-added production facilities in the Region. The St. Lawrence Brewing Company in Canton is under construction and poised to begin in January 2013. The 3,000 square foot microbrewery will use locally grown hops, barley, and maple syrup to produce 3,500 barrels of craft beer. A distillery in Jefferson County, has received local planning approval and will initiate construction in 2012. The distillery will produce artisan liquors using local grains, and will be featured in the growing Thousand Islands Seaway Wine Trail.



Create the greenest energy economy in the state

“The Region secured \$30 million in Industrial Revenue Bonds to advance the largest biomass electric facility in the State.”

THE NORTH COUNTRY HAS EMBRACED the goal of becoming the greenest energy economy in the state with startling results. The region secured \$30 million in Industrial Revenue Bonds to advance the largest biomass electric facility in the state at Fort Drum and \$4.3 million through the federal Biomass Crop Assistance Program to plant 3,500 acres of willow biomass. Phase I of the Lyons Falls Mill Site redevelopment in Lewis County (Priority Project CFA awarded in 2011) is complete, and Phase II involves a \$30 million expansion of an existing hydro facility and adjacent property to accommodate greenhouses and biofuel facilities. Phase II has been awarded priority status by the Council in 2012.

The region convened a first ever Clean Energy Conference in June in Lake Placid, attracting a sellout crowd of over 250 people for the 2-day conference and directly resulting in generating a number of 2012 CFA applications. The conference brought in experts and practitioners from around the region and beyond, with concurrent sessions focusing on hydro, wind, solar, biomass and efficiency.

Essex County was awarded \$1M on behalf of the North Country to implement Phase 1 of a Statewide Cleaner Greener Communities Sustainability Program. The seven County consortium leading this initiative has launched the project, established 6 working groups and has involved close to 200 people to date. The Plan will be completed and submitted to NYSERDA by the end of December, 2012 and

will include public input from across sectors and across the region as well as a list of projects that will be submitted as 2013 CFA applications.

The Council is working with several programs across the region including Green Jobs Green New York, a NYSERDA-funded strategy to offer free or low cost energy audits and low interest financing for energy retrofits. There is a large increase in the number of communities, institutions, residents and businesses across the North Country that are recognizing the benefits of energy conservation and efficiency and taking advantage of energy efficiency incentive programs. Alcoa and International Paper, two of the Region’s largest manufacturing plants, are both studying options for major projects that would reduce their carbon footprint.

Obstacles to improving the efficiency of housing and building stock in the North Country continue to be the relatively few number of BPI (Building Performance Institute) accredited contractors and the lack of coordination between funding for infrastructure projects (such as lower income housing or capital building investments) and improving energy efficiency. A further obstacle to community investment in clean energy systems is the absence of Community Based Virtual Net Metering legislation. Passing this legislation in New York State would be applicable to any renewable clean energy production and would expand market potential and business opportunity across the state.

Actualizing this Vision will create family-sustaining jobs and build an innovative economy, capitalizing on our abundant natural capital: pristine waters, productive forests and agricultural lands; the splendor of the Adirondacks; and our dynamic international border.

Capitalizing on our abundant natural capital:

BIG RESULTS from relatively small investments characterize the North Country's implementation of the Council's 2011 plan. Capitalizing on our abundant natural resources drives much of our economic growth in two interconnected ways. The high quality of life based on access to our wild lands, forests, thousands of miles of waterways and four season recreation draws visitors, entrepreneurs, and returnees who create and finance new businesses throughout the Region. These same resources provide the foundation for 21st century innovation in our traditional industries such as forestry, agriculture, mining and energy production.

THE SMALL SCALE farm movement in Jefferson and Essex Counties, the growth in sport fishing along the St. Lawrence river and vitality in General Composite's high tech plant in Willsboro are examples of the kinds of projects that are attracting investment because of the quality of life and the unspoiled nature of the Region.

THE \$30 MILLION bond allocation dedicated to ReEnergy's Fort Drum facility will generate hundreds of jobs in the biomass and transportation industries. Paper mills dependent on access to clean and abundant water are reopening. Large scale wind investment in several counties and access to clean and low cost hydroelectricity catalyzing Alcoa's large investment in Massena

depend on our abundant natural capital. The boom in Greek yogurt consumption across the nation has created innovation in the North Country's already strong dairy industry. At the same time the expansion of the Kraft plant in Lowville demonstrates the staying power of traditional North Country-based dairy production. Increased global demand for specialty minerals has revived interest in mine tailings in Tahawus and Star Lake which makes investment in rebuilding the Region's rail infrastructure critical.

PROJECTS SUCH AS THESE both invest in and utilize our abundant natural resources.

Capitalizing on the Adirondacks:

THE ADIRONDACK PARK is one of our Region's unique and priceless assets. It also presents unique challenges in terms of geography, environmental sensitivity, sparseness of population, distances with few transportation assets, a high dependence on very small businesses, and added regulatory processes. The overarching aim is to use this Regional Plan process to support the kinds of strategies, investments and actions that are appropriate to the Adirondacks in all respects and that can help to build future economic and community sustainability.

IN JUST THE PAST YEAR, we have seen remarkable progress, including the formation of the "Adirondack Partnership", a broad coalition of Adirondack public, private and non-profit

interests that serve as a support network for various initiatives, working in close alliance with our Regional Council's own Adirondack Park Work Group; completion of the "Adirondack Futures Project" by the Common Ground Alliance; significant steps toward long awaited broadband accessibility in the Adirondacks including two projects underway in Hamilton County; the generation of plans for the coordinated marketing of all of the diverse recreational assets and opportunities in the Adirondack Park; and extraordinary progress toward the ambitious aim of "preserving and rehabilitating" all surviving rail infrastructure in the Adirondacks. The latter includes Priority Project funding to renew the line to Newton Falls; gaining federal approval to resume service on the long inactive line to Tahawus; and significant planning progress on the future of the Adirondack rail line between Utica and Lake Placid.

Capitalizing on our dynamic international border:

THE NORTH COUNTRY'S strategic role as the U.S. gateway for visitors, trade and investment from Quebec and eastern Ontario is central to many if not most of our key business opportunities including tourism, distribution, energy, and future investment and growth in most of our strategic clusters.

OUR FOCUSED AND PERSISTENT efforts in Washington with our Congressman, Senators and key organizations such as the Can/Am Border Trade Alliance saw remarkable results

this year, including specific commitments to future actions and investments by the U.S. and Canadian Governments to address four of our border priorities: facility needs at the Thousand Islands Bridge, Massena and Champlain/Lacolle, and major progress toward a new process for the pre-clearance of New York bound Amtrak passengers in Montreal which will end the 1-2 hour stoppages at the border.

THROUGH COLLABORATION with our federal allies and the U.S. and Canadian border agencies, we also saw substantial success in handling increased traffic flows this year (with passenger vehicles up 16% at Champlain and 11% at Thousand Islands) while maintaining reasonable wait times – what we call the priority of "border fluidity".

CONTINUED SUCCESS in drawing Canadian travelers to Plattsburgh International Airport, developed and marketed as "Montreal's U.S. Airport" and reaching 150,000 enplanements in 2011 from zero four years earlier (85% Canadian), has justified the launch of terminal expansion plans.

PROGRESS IN DEFINING a next generation of opportunities for cooperation between New York and Quebec has created the basis for a next Quebec-NY Summit and, in spite of the slow global economy, we continue to attract Canadian investment and job creation. For good measure, the launch of a new North Country EB-5 Regional Center is a fresh tool to support our commitment to the attraction of Canadian and other foreign investment.

I

Moving Forward

A. Organizing For Implementation

GOVERNOR CUOMO'S REMARKS at the Economic Development Summit held in Albany in late August captured the remarkable transformation that has taken place in the North Country: a Regional identity has developed; a plan to move forward has been forged; partnerships have been established; and as a result, a new sense of pride and optimism exist.

WHEN THE NORTH COUNTRY Regional Economic Development Council convened in 2011, there was broad agreement that the group's purpose would extend beyond completion of the Strategic Plan; going forward, our Region would work together to implement the recommendations of the Strategic Plan as a cooperative Regional economy.

THIS COMMITMENT to implementation is evidenced in the North Country Regional Economic Development Council's 2012 operations. The Council established a regular meeting schedule, and resolved to fully commit to the implementation process.

THE COUNCIL BEGAN its 2012 operations by reorganizing for the task of implementation of its Best Plan. Among the major changes illustrated on the Organizational Chart (*See Appendix 1*) are:

A new Priority Project and Plan Implementation Committee (P3IC) replaced the Planning Committee.

Work Groups were reorganized to reflect the new implementation tasks and to take advantage of logical linkages to maximize efficiency. This included combining the Canadian Connection and Distribution groups; melding Small Business with Community Development; and adding Healthcare to the Biotech Work Group. The identification of a Council Member to oversee Work Group activity has strengthened Council Member involvement in the Work Group's efforts. (A list of Work Group members can be found in Appendix 2)

A Pipeline Committee was organized to solicit new projects and to bring them to the attention of the Priority Project Committee. County IDAs and the North Country Alliance were organized to serve as a source of Pipeline Projects. An Economic Developers Liaison was chosen from the Pipeline Committee to facilitate this process.

A Workforce Liaison was appointed to coordinate the Council's efforts in this critical area. Finally, while the Council makes every attempt to make decisions at Council meetings, an Executive Committee was created to act on issues that are time sensitive and cannot wait for a regularly scheduled NCREDC meeting. The Co-Chairs feel strongly that all Council members should have the opportunity to participate in the decision making process whenever possible. In fact, the Council held a special meeting over the summer to deal with several time-sensitive matters of importance. The Executive Committee was utilized only once to resolve a matter that required immediate action.

Throughout 2012, the Priority Project and Plan Implementation Committee has worked closely with the Council's Work Groups and the State Agency Resource Teams to ensure that the Plan's Vision, Strategies and Actions were thoroughly reviewed, Key Strategies were selected, and implementation success was monitored and evaluated. The P3IC met every three weeks, held at least one meeting in each of the Region's seven counties, and reported regularly to the Council on implementation progress.

Work Groups met early in 2012 to refine their purpose and review their membership to be sure needed expertise was in place for implementation. The Work Groups then reviewed the Strategic Plan to refine Strategies and identify new Strategies; report on Action Item progress; and outline plans for Year 2 Actions. Particular attention was given to the 12 Key Strategies identified by the Council.

B. Strategy Overview

THE NORTH COUNTRY IS, by its nature, especially large and diverse, requiring a carefully crafted network of strategies addressing each of the significant elements of its unique Regional economy. While, as this report will outline, all of its strategies are important and all have received support and exhibited notable progress this year, the Council took action to identify twelve Key Strategies in order to help further focus our collective commitment behind those with the broadest and most significant potential for both near term and long term impact on the Region's economy. Each of the Key Strategies have strong linkage with elements of the Vision, and these twelve will continue to be the top focus of the Council's work with State partners and others as we advance our 2013 Regional Plan.

AS AN EFFECTIVE PLAN must be a living document, our Work Groups and our Priority Project and Plan Implementation Committee, with support from the State Agency Resource Team, undertook a thorough review of the strategies adopted in 2011 and considered adjustments, refinements and additions which would reflect new information, changes in circumstances, progress already achieved and our first year's experience in terms of how our plan can be used by a variety of interests to further our broad and diverse Regional aims.

FOLLOWING ARE SUMMARIES of each of the twelve Key Strategies and why they have been so designated; a summary of refinements to these Key Strategies adopted by the Council; and then a brief summary of other refined strategies plus a new sector strategy for Health Care developed and adopted this year which, while not a Key Strategy, serves to reflect our evolving understanding of how this planning process can be put to new strategic uses. A complete outline of all adopted refinements to plan strategies is provided (*See Appendix 3*).

AGRICULTURE

Key Strategy:

Maintain, establish and expand the presence of storage, processing and distribution facilities in the Region to promote the sales of value-added agricultural products that are sold locally and globally.

The Key to Its Importance:

The North Country is one of the State's leading agricultural areas, with substantial agricultural presence and impact throughout the seven counties in activities as varied as dairy, apples and forest products, among others. It was evident in the creation of our plan last year that most of this enormous production is leaving the Region to be processed elsewhere, limiting the economic return to the North Country while also diminishing the return to our producers. The key to unlocking the full potential of agriculture as a vital part of the North Country economy remains the development of facilities and services as stated in this Key Strategy.

BROADBAND

Key Strategy:

Support affordable broadband access throughout the North Country Region.

The Key to Its Importance:

While all rural areas face challenges in developing affordable, comprehensive broadband access, the North Country's challenges are far greater due to greater distances between population centers, the smaller scale on average of its overall business community, and the unique geography and circumstances of the Adirondack Park. At the same time, the Region has even more to gain if it can achieve inclusion in the 21st century economy centered around broadband, from telecommuting to maximizing the reach of its small businesses to global markets, not to forget the crucial role broadband can play in such basic elements of community sustainability as medicine, education and access to a wide range of otherwise inaccessible services. The key to unlocking this potential is sustained, focused support for public and private investment that can, piece by piece, fill the large remaining gaps in broadband access.

CANADIAN CONNECTION

Key Strategy:

Optimize fluidity at the North Country's U.S. - Canadian Border Crossings. The relative ease and predictability of the crossborder movement of cars and commercial traffic, as well as trains, boats and energy transmission, is essential to a successful North Country economic future. It is also vital to the North Country's key role as New York's gateway with Quebec and Ontario, bringing progress and opportunity to the entire State.

2012 Refinement:

The above reflects the addition of "trains, boats and energy transmission" to the optimization of fluidity at the border, thereby recognizing these additional forms of commercial movement which also hold direct economic value to the North Country and New York State.

The Key to Its Importance:

The North Country's connectivity with Canada in all of its many forms constitutes one of the most pervasive economic impacts in the Region, bringing current and potential benefits to sectors as diverse as manufacturing, tourism, distribution, energy and more. In addition, the North Country serves actively and effectively as the gateway for international commerce and investment from Quebec and Ontario for the entire State. Our Canadian Connection is not only a special element of our economic future but one which requires sustained and specialized attention and approaches. It is indeed a clear key to the North Country's future economic well-being.

CLEAN ENERGY

Key Strategy:

Invest in large and small clean energy businesses.

2012 Refinement:

We have simply clarified this basic strategy statement to make it inclusive of all of the North Country's clean energy opportunities, which are currently being comprehensively assessed and defined as part of our Cleaner Greener Communities planning initiative, funded as a 2011 Priority Project.

The Key to Its Importance:

By its very nature as a Region, the North Country hosts abundant natural resources and possesses clear opportunities to play an economically beneficial role in the movement to cleaner, renewable energy sources from hydro to wind to biomass, among others. Utilizing our assets and resources in a sustainable way to support local development and to export energy and import dollars remains one of the keys to our well rounded economic future.

BUSINESS RETENTION AND EXPANSION

Key Strategy:

Create a Business Retention and Expansion plan for existing large manufacturers.

The Key to Its Importance:

The challenge of retaining existing manufacturing is growing everywhere. However, the impact of both success and failure can be even greater in the North Country due to its character – including the impact a downsizing or closure has on the smaller communities which constitute our Region and the special challenges of attracting new manufacturing to rural vs. metro areas. With this in mind, it remains key to our Regional aims that we focus ever greater attention not only on potential newcomers but on the stabilization, efficiency, success and potential growth of the strong and diverse manufacturing base we continue to enjoy.

DEFENSE

Key Strategy:

Address the shortage of rental housing available for soldiers and their families in the Fort Drum area and, in turn, improve the quality of housing options for the community as a whole.

The Key to Its Importance:

Fort Drum is not only the largest single employer in the North Country but is also one of the largest in the State. The availability of sufficient, quality, affordable housing for its personnel has been clearly identified as the top priority for securing its long term continuation as a major base, positioning it for future federal investments and new missions, and fulfilling our overall responsibilities to our citizens in uniform and their families. At the same time, addressing the identified shortage will relieve pressures on the entire surrounding housing market. The future of Fort Drum is one of the keys to the North Country economy, and this strategy is key to its future.

ENERGY EFFICIENCY

Key Strategy:

Maximize North Country utilization of energy efficiency resources and programs to reduce total housing and energy costs.

The Key to Its Importance:

Energy costs in New York State, and particularly in the North Country with its winters and its distances, are higher than elsewhere. Each dollar expended on energy costs of various kinds that can be saved through the implementation of efficiencies and new technology or practices is a dollar retained in the Region for other economic circulation and, in the case of businesses, an enhancement in productivity and profitability. This strategy remains a key to overall economic progress in our Region.

HIGHER EDUCATION

Key Strategy:

The North Country's institutions of higher education and research/development will review and implement incentives for collaborative projects, research and entrepreneurial activity among and between the colleges and universities.

2012 Refinement:

This strategy statement has been reworded to shift from "recognizing" the opportunities inherent in the Region's higher education cluster to reflecting a far more action oriented statement, committed to a variety of collaborative opportunities. This reflects the great progress made this year in launching unprecedented communication and shared activity among our Region's institutions of higher education and research.

The Key to Its Importance:

The North Country possesses an extraordinary cluster of universities, colleges, community colleges and research institutions. Each has been a key partner in economic development in various ways in the past, but in limited ways and generally within a limited sense of geography. There is clearly enormous added value to be gained for the North Country through a collaborative approach that can strengthen the work of each of these institutions while delivering even greater value and support to a wide range of economic development endeavors Region-wide. This strategy is clearly a key to the successful pursuit of multiple other strategies within our plan.

RAIL

Key Strategy:

Preserve and rehabilitate all surviving rail infrastructure in the Adirondacks, including the Adirondack railroad from Remsen to Lake Placid.

The Key to Its Importance:

Transportation is essential to economic prosperity, particularly in the Adirondacks where infrastructure and options are already severely limited. Rail holds, for much of the Region, the only alternative to cars and trucks over two-lane roads, and it will become increasingly important in terms of energy efficient movement and access for both people and commerce. It remains a key ingredient in diminishing economic isolation and fostering economic development.

SMALL BUSINESS

Key Strategy:

Foster development of small business and entrepreneurial activities.

2012 Refinement:

The following New Strategy statement has been added: Recognize the importance of community and Regional planning in achieving the Council's vision.

The Key to Its Importance:

Small business is important everywhere in the State, but especially so in the North Country due to its rural character, the absence of a metro center, its dependence on small communities and the even smaller – often micro – nature of its business community in general. Effective strategies and actions in support of existing small businesses and of new entrepreneurs and start-ups is therefore key to overall economic progress in the North Country. The "New Strategy" above reflects the reality that sound community and Regional planning is especially important to serving this dispersed and diverse sector in our vast Region.

TOURISM

Key Strategy:

Put tools in place to attract private investment in tourism which will drive demand to revitalize and diversify communities and create a climate that will allow entrepreneurs to flourish.

The Key to Its Importance:

The importance of tourism in our Region is clear. However, the importance of this strategy is that it recognizes and focuses attention on the need to attract and foster development in attractions, facilities and infrastructure conducive to 21st century tourism. It remains the clear key to sustaining, spreading and maximizing the North Country's tourism sector.

WORKFORCE DEVELOPMENT

Key Strategy:

Develop a strong workforce development system to support the needs of employers in the targeted clusters using a combination of new and incumbent worker training including flexible on-the-job training, certificate programs, apprenticeships, degree programs and recruitment assistance.

2012 Refinement:

This strategy was slightly reworded to be more inclusive of the training approaches required to meet our current and future aims, specifically adding references to apprenticeships and on-the-job training.

The Key to Its Importance:

The availability of a ready workforce, whether trained or prepared to be trained, along with a responsive, flexible and multi-faceted workforce development support system, is indispensable to all of our other strategies, from supporting the changing needs of existing employers to successfully attracting new ones. It remains absolutely key.

OTHER NEW OR REFINED STRATEGIES

In addition to the Key Strategies, with some refinements as summarized above, we have also updated our BIOTECH strategy in two ways. We have specifically referenced two major research institutions – Trudeau Institute and William H. Miner Institute – to more clearly reflect their position as centerpieces in our biotech ambitions. And we have updated the previous strategy regarding support for the marketing of the Pfizer Pharmaceutical facilities at Chazy and Rouses Point to reflect the fact that Pfizer conveyed the Chazy site to the Clinton County IDA in June 2011, with the marketing mission for new uses now residing with the IDA in that case.

A new set of three strategies has also been developed and approved under a new HEALTH-CARE section. While healthcare was certainly a major part of our Regional economy last year as it is now, it was not explicitly reflected in the plan in a strategic way due to our understanding that relevant agencies such as the New York State Health Department were not a direct part of the Regional Planning and CFA funding process.

Happily, something has occurred since last year which is an exciting part of this new process. Sectors such as healthcare are looking to our Regional Council to be a part of the overall economic development effort in various ways and are seeking to reference our Regional Plan as they develop various initiatives, projects and non-CFA funding proposals. We see this as manifesting a broad degree of acceptance of our process as a guide and touchstone for initiatives and developments of all kinds. Therefore, even though there may continue to be only limited CFA opportunities for the health care institutions going forward, we were pleased to facilitate their input through a new Health Care Work Group, leading to the generation of three related strategies that they – and others – can now appropriately reference as being part and parcel of the North Country Regional Economic Development Plan.

85

Percent of the 150,000 annual passenger enplanements at
Plattsburgh International Airport who are Canadian citizens

C. Partnerships

EDUCATION AND NON-PROFIT PARTNERSHIPS



“Ten small colleges have come together across 10,000-plus square miles to create big results.”

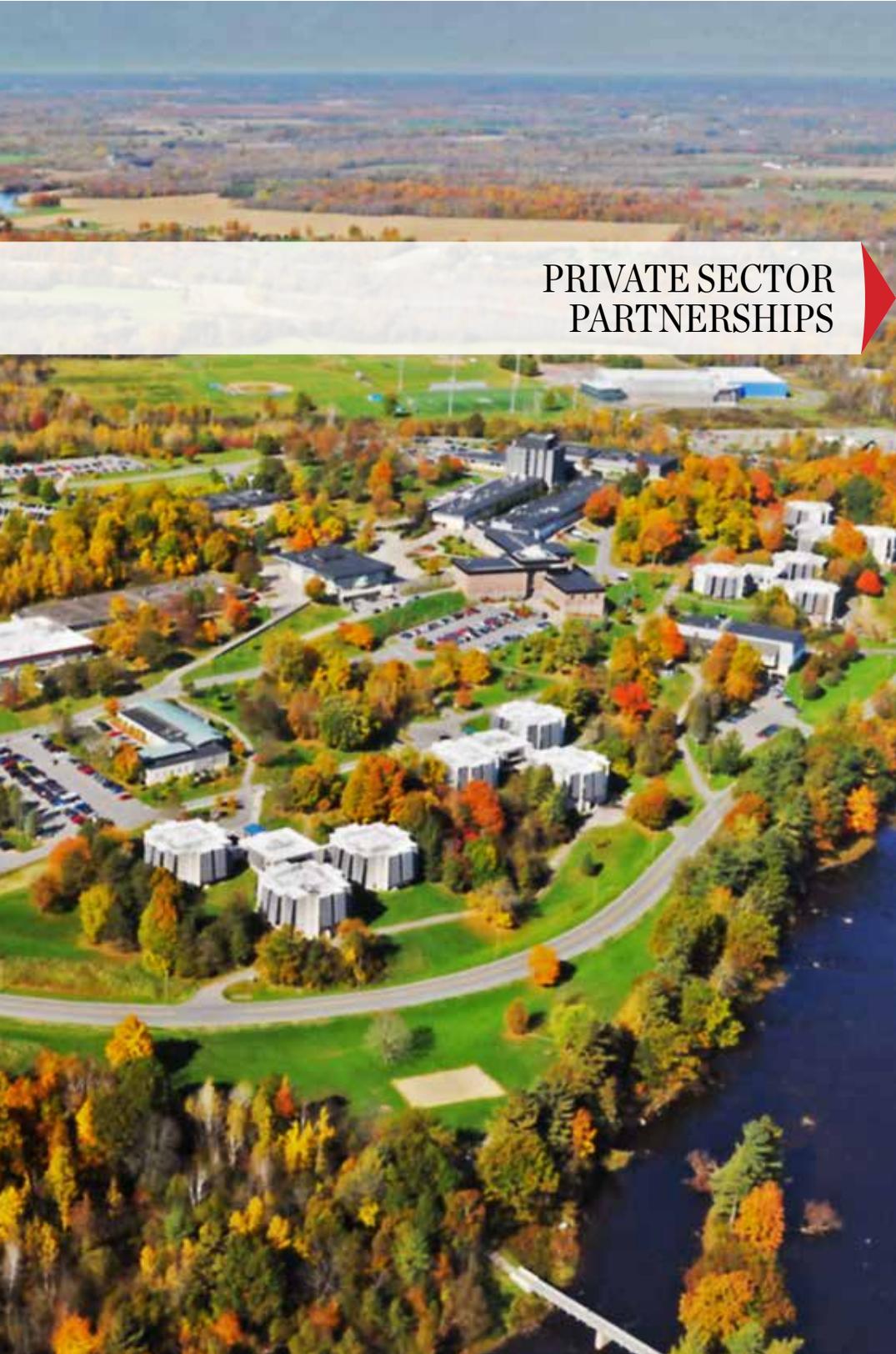
THE REGION’S VAST LAND AREA coupled with the extreme decentralization of its small communities has not prevented the North Country’s higher educational institutions, not-for-profit sector, and private businesses from coming together in spite of all obstacles to develop, revise, and implement a transformational Plan.

THE REGION HAS 10 COLLEGES and universities. All 10 have participated in Region’s the effort to rethink its future – everything from the innovative leadership efforts of Co-Chair Tony Collins of Clarkson to the assistance all 10 colleges provided when they staffed or provided facilities for Work Group meetings, public forums and Council meetings. In addition to these logistical contributions, the colleges have formed the North Country Higher Education and Research and Development Consortium to share resources and foster implementation of the Region’s transformational agenda.

MANY OF THE COLLEGES are also collaborating in creating a comprehensive benchmarking framework that the Council will use to measure the economic results of the investments it has prioritized. A final example is a Clarkson University graduate student who committed, without compensation, to do a major, multi-year workforce inventory and gap analysis. In short, 10 small colleges have come together across 10,000+ square miles to create big results.

OTHER NOT-FOR-PROFITS have also played major roles in developing, revising, and implementing the 2011 Plan. And, as with the colleges, they have overcome their small size and diverse agendas to produce significant results. About half of the participants on the Council’s 13 Work Groups are from the staff of the Region’s non-educational not-for-profits. The North Country Alliance – the Region’s professional economic development association – provided a natural and ready-made pipeline for new projects to reach the Council and an in-place system to monitor implementation.

THE EFFECTIVENESS of all of these partnerships has been immeasurably enhanced by the participation of private sector, for-profit organizations. Not only were eight members of the Council from private business, but over 40 participated in one or more of the Council’s work groups. In addition, many other businesses supported and contributed to the Council’s work through their membership in organizations like the three chambers of commerce represented on the Council and through their memberships in organizations like CITEC, Inc. and the North Country Alliance.



PRIVATE SECTOR PARTNERSHIPS

“Subaru announced the designation of the University as its newest corporate training center.”

BUSINESS LEADERS have been a part of the Council from the very beginning. In addition to the private sector representatives appointed by the Governor, business people serve on all of the Work Groups and committees. Their knowledge of the issues in the industry clusters of the Region helped the Council develop strategies and actions that will create jobs and economic growth.

BUSINESSES CONTRIBUTE substantial resources to help the Council achieve its goals. Like their public sector and non-profit counterparts, management and staff members alike spend countless hours in meetings, conference calls, public information sessions and on the road.

CORPORATIONS ARE SUPPORTING the Council’s workforce development goals by helping workers in the Region upgrade their job skills through programs such as the new partnership between Subaru and SUNY Canton.

ON AUGUST 23, 2012 SUBARU ANNOUNCED the designation of the University as its newest corporate training center. Subaru and its dealers will contribute \$500,000 in tools, diagnostic equipment and brand new cars to the college over the next five years. Through this new program, automotive technology students can become certified to work with Subaru. One-third of the Subaru Dealers in New York will be able to send their technicians for training at SUNY Canton, saving the company money on travel to more distant training centers and bringing new dollars to the University and the surrounding community.

ANOTHER EXAMPLE of business working in partnership with the education system is the recent Job Shadow Day hosted by the North Country Workforce Investment Board. Nine companies hosted students interested in careers in everything from Engineering to Journalism.

THE COUNCIL WILL CONTINUE TO seek opportunities for partnership with private sector interests in the future.

STATE AGENCY PARTNERSHIPS

IN 2011, while the Council was preparing its strategic plan, it purposefully kept the State agencies at arm's length so as to ensure that the development of the Strategic Plan was bottom up and inclusive of our private sector, non-governmental organizations, local governments and the public. State agencies were helpful in Council organization and process (particularly ESD, DOL and DOS) and as technical resource people as requested. The Plan truly reflects this bottom-up approach to Regional economic development. We believe the results were successful as evidenced in the NCREDC Best Plan Award.

IN 2012, as the Council transitioned into Plan implementation it became evident that the State agencies could have a substantial role in advancing the Plan's Vision, Strategies and Actions. In January, the Council and our refreshed Work Groups engaged the State agencies. We have been particularly pleased with all the agency responses and their help in implementing the plan. The following outlines how valuable the agencies have been to our continued success.

Technical and Staffing Assistance

WHILE THERE HAVE BEEN a number of instances where the Council has looked to break down "agency silos" and to repurpose existing State programs, the State agencies in the North Country, particularly Regionally based agencies, have been a technical and staffing resource for the Council.

ESD, DOL AND DOS REMAIN INVALUABLE as staff to the Council and several Regional agencies (APA, DEC, DOT, OPRHP, and the Tug Hill Commission) have been extremely helpful in supporting our Work Groups and helping to staff the all-volunteer Council. Without their continued assistance we would not have advanced our Strategic Plan to the extent we have. Many of these agencies have gone well beyond their agency mission and geographic boundaries to ensure our success.

AS YOU CAN SEE in our Implementation Matrix (See Appendix 4) there is a State agency contact for each one of the Plan's Strategies.

Eliminate Impediments to Economic Growth

AGENCY PERSONNEL have worked with our team to identify impediments to economic growth. These efforts have included a review of APA and DEC regulations within the Adirondack Park to identify ways that both agencies can eliminate redundant regulations, improve coordination on project reviews and expedite decision making. While we await their final recommendations, we have seen improvement as evidenced in the review of Adirondack Club and Resort in Tupper Lake.

DOT HAS WORKED to expedite funding and project implementation to provide access to Fort Drum and to improve the Newton Falls secondary rail line and the Iowa Pacific line from North Creek to Tahawus. ESD, OCR and the Tug Hill Commission have worked with the Development Authority of the North Country to advance Fort Drum housing projects and work with Fort Drum Regional Liaison Organization and the U.S. Army on managing growth around Fort Drum.

SUNY AND OUR PRIVATE COLLEGES and universities have worked well together as evidenced by the first ever meeting of all 10 North Country colleges and universities and the signing of an historic agreement to implement the North Country Higher Education Research and Development Consortium. This agreement pledges their commitment to advance economic development through collaborative degree programs and, more importantly, bring research and tech transfer to the Region's economic sectors and clusters. SUNY ESF has also been a key partner in advancing our Lyons Falls and forest industry investments in a way that transcends Council Regions.

Aligning, Repurposing and Redesigning Existing Programs

OUR STATE AGENCIES have worked to help align State agency programs to advance the Region's Vision. In 2012, the Council adopted a strategy to align with two existing State programs, the Scenic Byways (DOT) and the Blueway Trail (DOS), to help prioritize local community development projects along these corridors. The Council expects to establish this as a long-term strategy for the Region that could be a State-wide model.

ESD AND DOS HAVE ALSO WORKED to advance our tourism and community development strategies regarding private sector tourism investment. Last year we proposed a Community Tourism Transformation Fund (CTTF) to leverage private in tourism related amenities and accommodations. The North Country has a wealth and diversity of natural and public tourism assets but too often we lack the appropriate level of amenities and services to attract and retain these tourists.

ESD HAS BEEN EXTREMELY HELPFUL in identifying financial resources to pilot this program in 2012. If funded, we believe we may have an investment instrument that will incentivize the private sector and perhaps serve as another State-wide model. We are also asking DOS and ESD to help in the design of a "Tourism Hub Community" planning and designation process. For communities that desire tourism as a keystone to their economic future this planning and implementation process will help the Council target investments to make these Tourism Hubs a reality.

ESD AND THE DEVELOPMENT AUTHORITY of the North Country have been instrumental in identifying funding mechanisms for advancing investment in broadband. Together, these agencies look forward to working with the Governor on the recently announced "Connect NY" Broadband program to extend broadband throughout the North Country.

AGRICULTURE AND MARKETS has initiated a new pilot program this year for financing value added agriculture. This together with a Regional agriculture micro-loan program proposed by DANC will help the Council leverage private investment in agriculture production, processing, distribution and marketing. Agriculture remains one of the North Country's key economic sectors and we see a lot of potential for increasing and diversifying our agriculture base.

SART teams

DOS HAS BEEN WORKING with our Council to bring the resources and expertise of all State agencies to our Key Strategies. In several meetings we have met with the SART agencies and begun to develop detailed implementation strategies and milestones for implementation. Our Key Strategy reports identify agencies we plan to collaborate with.

New Strategies and Initiatives

GOVERNOR CUOMO CONTINUES to bring new programs and initiatives to the Regional Councils. The North Country was the first to advance the Cleaner, Greener Communities Regional Sustainability Planning Program as a Council initiative. The Region looks forward to presenting its Sustainability Plan at the end of the year. In addition, we have folded the Governor's new initiatives for Pathways Through History, Broadband and STEM into our ongoing planning and implementation processes. These, together with the many State agency funding programs the Governor has brought to the Council, adds to the resources we will use to create the future economy of the North Country.

EVEN WITH THESE new initiatives and our Best Plan Award, perhaps the greatest success has been the new communication and cooperation between the State of New York, agencies and our communities, catalyzing new energy in the North Country.

Policy and Legislative Initiatives

WHILE WE HAVE DELIVERED success in meeting our Strategic Plan Vision and Strategies, some activities will take new legislative and policy initiatives to bring them to fruition. Our Work Force Committee has identified a number of obstacles to better meeting our work force needs. In addition, we have endorsed several legislative proposals (mandate relief, etc.) that would enhance our economic success. Many of these are State-wide and we look forward to work-

D. Public Engagement

THE COUNCIL'S Public Participation Committee continues to coordinate outreach activities on behalf of the Council with stakeholders and citizens throughout the Region. The committee has also continued to educate and engage the public regarding its activities and the strategic plan through active participation and presentations in the community and via the Internet.

COMMITTEE MEMBERS conducted conference calls approximately every three to four weeks, met at council meetings and communicated information via email throughout the year.

THE COUNCIL'S Public Participation Committee continues to coordinate outreach activities on behalf of the Council with stakeholders and citizens throughout the Region. The committee has also continued to educate and engage the public regarding its activities and the strategic plan through active participation and presentations in the community and via the Internet.

COMMITTEE MEMBERS conducted conference calls approximately every three to four weeks, met at council meetings and communicated information via email throughout the year.



PUBLIC FORUMS

Following up on a successful public forum campaign in 2011, the Public Participation Committee (at the request of the Council's chairs) again set a goal of holding public forums in all seven counties of the Region. In June and July 2012, Council Co-Chairs Garry Douglas and Anthony Collins delivered public presentations in:

<i>Tuesday, June 12</i>	WATERTOWN Dulles State Office Building
<i>Tuesday, June 19</i>	LOWVILLE Lowville Academy and Central School
<i>Monday, June 25</i>	ELIZABETHTOWN Elizabethtown-Lewis Central High School
<i>Tuesday, June 26</i>	PLATTSBURGH SUNY Plattsburgh, Hawkins Hall
<i>Wednesday, June 27</i>	TUPPER LAKE The Wild Center
<i>Thursday, June 28</i>	MASSENA Hawkins Point Visitors Center
<i>Monday, July 23</i>	INDIAN LAKE Indian Lake Theater

These events were well attended. The Co-Chairs delivered a PowerPoint presentation focused on relating the progress of the Council in year one and how an organization or business could seek funding through the year two CFA process. Individuals attending the public forums were not just representatives of local economic development and government agencies. Local citizens with ideas, comments and questions also attended. Council members attending the public forums also heard about business ideas related to:

- Green energy
- The need to develop our tourism assets
- Concerns for upgrades to municipal infrastructure
- Broadband and the opportunities for telecommuting

OTHER PUBLIC MEETINGS

In addition to very successful public forums, the Council had many other opportunities to engage with community members. Presentations about the Regional Council were included on the agenda at several significant Regional events, including:

<i>Tues.-Wed., March 20-21</i>	ADIRONDACK LOCAL GOVERNMENT DAYS
<i>Thursday, March 29</i>	TUG HILL LOCAL GOVERNMENT CONFERENCE
<i>Friday, June 22</i>	NORTH COUNTRY CLEAN ENERGY CONFERENCE
<i>Tuesday, July 17</i>	COMMON GROUND ALLIANCE

At several other smaller venues, council members delivered presentations about the Regional Council and the plan at community meetings – chambers of commerce, Rotary Club meetings, and others.

The Council's Priority Project and Plan Implementation Committee (P3IC) met regularly throughout 2012 in every county of the Region. At each meeting, community members provided information on prospective projects in their area. This was a great opportunity for the council to get direct feedback from individuals in industry, health care, and community development. At these meetings, private business representatives from organizations such as Bombardier, Clayton Hotel LLC, Kraft Foods, North Country Pastured, Adirondack Club & Resort and others invested their time to update the implementation committee on business activities.

PARTNERSHIPS

The Work Groups are another example of the partnerships the Council has developed as it implements its strategic plan. The Council continued to solicit input from eight Work Groups focused on major economic segments of the economy. These Work Groups bring together individuals with expertise in their field to discuss future economic development opportunities and plan implementation. Included in these Work Groups, and/or in the Council's Priority Project and Plan Implementation Committee, are representatives of State agencies, including Empire State Development, Tug Hill Commission, Department of Environmental Conservation, Adirondack Park Agency, Department of State, Department of Labor, Department of Transportation, State University of New York, private colleges and universities, Development Authority of the North Country, and businesses. These organizations are active resources for the Regional council.

SOCIAL AND OTHER MEDIA

The North Country website (*northcountryopenforbusiness.com*) has proven to be a tremendous resource for the public, and it is by far the most informative of the ten Regional council websites.

Through comments received and participation at events, it is evident that many North Country residents are aware of the council's strategic plan and have begun to take ownership of the actions it recommends.

As was the case in 2011, one of the Priority Projects came to the attention of the Council at a Public Forum. The Wild Center Wild Walk will create a unique experience for children from all over the nation, increasing tourist visits and fostering economic growth in the Adirondacks.

E. Project Solicitation and the Project Pipeline Committee

AN EXCITING PART of the strategic planning process was the discovery of innovative and transformative projects being developed by companies, entrepreneurs and communities in the Region. Realization of the North Country's Vision will depend on the Region's ability to identify and assist projects that foster economic growth.

THE COUNCIL has taken the following steps to develop a pipeline of projects for potential future implementation:

THE COUNCIL ENDORSED the North Country Alliance (NCA) as a partner organization to identify and develop project intelligence in the Region. The NCA is a member organization of twenty six economic development agencies throughout the seven counties that has been in existence since 1988.

THE PRIORITY PROJECT and Plan Implementation Committee met with the seven county Industrial Development Agencies to discuss the need for identifying potential projects and moving them to the pipeline committee. To further this effort, teams composed of an IDA executive director and a member of the Council have visited businesses in each of the seven counties to discuss and identify projects.

THE PRIORITY PROJECT and Plan Implementation Committee coordinated with all eight Work Groups, three overarching committees and two liaison committees to identify projects that can be in the pipeline. The work groups are a diverse composition of individuals from throughout the Region and these groups represent wide ranging and varied segments of our economy.

THROUGH PUBLIC FORUMS in each of our seven counties, we invited the public to present their potential projects to the council.

FINALLY, OUR *North Country Open for Business* web site and Facebook page provide the opportunity to supply information to the pipeline.

THROUGH THESE EFFORTS, we have developed a database of potential projects that can be implemented; a number of projects that have good future opportunity; and projects that have future challenges to implement. Multiple projects with similar goals have come to the attention of the Council through the Pipeline Committee. For example, several slaughterhouses are in the planning stage throughout the region. Whether market demand could support them all is a question that needs to be examined. This highlights the importance of the process to streamline the future selection of projects that might move forward.

THE PIPELINE PROCESS is identifying projects that are not yet ready for funding, and will be reviewed in the future as their life cycle progresses.

F. Measuring and Monitoring Progress

Round 1 Priority Project Performance Measures

TO MONITOR the implementation of Round 1 priority projects, the Council established a framework with Empire State Development Corporation staff to meet regularly and receive updates on the issuance of award letters; the issuance, acceptance and execution of contracts; anticipated start and completion dates; unforeseen challenges or obstacles; and reallocating funds to other projects when necessary. The Priority Project and Plan Implementation Committee also held meetings in every county of the Region and met with priority project recipients to receive project updates, discuss project start and completion dates, address challenges, and review next steps to successfully implement each project.

THIS FRAMEWORK resulted in close working relationships between Committee members, Council members and Empire State Development Corporation staff to oversee the successful implementation of the Council's plan. As a result, the Council and ESD quickly and effectively reallocated \$1.35 million in priority project funding when one of the Region's priority projects opted to establish its business in another economic development Region.

ADDITIONALLY, the Council and ESD successfully allocated \$30 million in Industrial Revenue Bonds to ReEnergy Holdings, LLC in Jefferson County to convert an existing power plant from coal to biomass energy production and support the energy needs of Ft. Drum.

PRESENTLY, all but one contract for the priority projects have been executed, and eight of these projects are initiated and underway. More than \$24 million in award funding has leveraged more than \$181 million of additional investments in these projects, and achieved an investment ratio of 7 to 1. Collectively, these projects will retain 860 jobs; support 530 short term jobs through planning, engineering and construction activity; and create 893 to 972 new jobs in the North Country.

PROFILES FOR EACH of the Round 1 priority projects, their related performance measures, and project status as of August 1, 2012, will follow (*a summary matrix in spreadsheet format is also included as Appendix 5*).



ROUND 1 PROJECT NAME:

OMEGA

APPLICANT:

BOMBARDIER MASS TRANSIT CORP.

PROJECT LOCATION:

PLATTSBURGH

PROJECT COST:

\$24.96 MILLION

AWARD AMOUNT:

\$2.5 MILLION

DESCRIPTION:

Construct a 57,000 sq. ft. expansion of the company's Omega Facility plant; upgrade the main car shell welding robot; construct a 2,100 sq. ft. expansion of railroad test track at an off-site testing facility.

Regional Benefit

Increase the efficiency, flexibility and capacity of the manufacturing facility by more than forty percent to accept new contracts to manufacture transit passenger rail cars, thereby retaining 288 existing jobs and creating 150 new jobs.

Performance Measures For Award

Execute award contract; complete engineering work; begin construction.

Project Status

Award incentive offering accepted. Engineering is in progress, and construction will be initiated in 2012. The company's anticipated construction completion date is February 2014. Bombardier is developing new sales contracts to produce 1,850 subway/metro cars for New York City, San Francisco, Chicago, and Maryland.



ROUND 1 PROJECT NAME:

COMMUNITY RENTAL HOUSING PROGRAM

APPLICANT:

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

PROJECT LOCATION:

WATERTOWN

PROJECT COST:

\$88.5 MILLION

AWARD AMOUNT:

\$4 MILLION

DESCRIPTION:

Construct 690 multi-family rental housing units to meet Ft. Drum housing demand, with 394 units to be built by Morgan and 296 units at Beaver Meadow.

Regional Benefit

Ensures the availability of affordable housing in the Region and supports the continued and growing presence of Ft. Drum, the Region's largest employer.

Performance Measures For Award

Execute award contract. Complete property acquisitions, site preparations, bidding and engineering work. Begin construction. Create 100 construction jobs and five new direct jobs.

Project Status

Award contract issued and accepted. Construction underway at the Beaver Meadows project for 296 units with more than 50 jobs created and filled. At the Preserve at Autumn Ridge, the property was acquired, site clearing is completed, financing will close in late August or early September, and construction will immediately follow. Units will be available in early 2013.



ROUND 1 PROJECT NAME:

STRAND THEATER RESTORATION

APPLICANT:

NORTH COUNTRY CULTURAL CENTER FOR THE ARTS

PROJECT LOCATION:

PLATTSBURGH

PROJECT COST:

\$530,000

AWARD AMOUNT:

\$397,000

DESCRIPTION:

Restore an historic theater that will open as a performing arts center. Activities include repairing and re-pointing exposed bricks and terracotta tiles; repairing or replicating railings, caps, balcony and lighting; and installing exterior insulation, stage windows and doors.

Regional Benefit

The restoration of a regional performing arts venue and downtown anchor advances Plattsburgh's revitalization activities, and enhances the community's quality of life for existing and new residents.

Performance Measures For Award

Execute award contract. Select subcontractors. Initiate and complete repairs.

Project Status

Award contract executed. Work plans submitted and approved by the State Historic Preservation Office. Request for bids issued and due August 14th. Repairs will be completed by March 2013.





ROUND 1 PROJECT NAME:

CLEANER, GREENER COMMUNITIES REGIONAL SUSTAINABILITY PLANNING PROGRAM

APPLICANT:

ESSEX COUNTY

PROJECT LOCATION:

NORTH COUNTRY REGION

PROJECT COST:

\$1,052,250

AWARD AMOUNT:

\$1 MILLION

DESCRIPTION:

Develop a Regional Sustainability Plan that includes short and long-term goals to improve energy efficiency, promote renewable energy, and reduce carbon emissions in the North Country.

Regional Benefit

Create a strong and coordinated plan that will help reduce dependence on imported energy resources, and promote job creation by investing in emerging, viable and local energy opportunities.

Performance Measures For Award

Execute award contract from NYSERDA. Execute subcontracts with consultants. Convene Work Groups. Develop greenhouse gas inventory, project execution plan, sustainability indicator inventory. Engage community through events. Complete plan development.

Project Status

Award contract executed and subcontracts executed with consultants Adirondack North Country Association and Ecology & Environment. Work Groups convened. Project execution plan and draft indicator memos completed and submitted to NYSERDA. Greenhouse gas inventory underway. Outreach performed through four conferences and public events. Sustainability plan development is on track to be completed in December 2012.



ROUND 1 PROJECT NAME:

GOUVERNEUR WATER SERVICE TO KINNEY DRUGS WAREHOUSE AND DISTRIBUTION CENTER

APPLICANT:

VILLAGE OF GOUVERNEUR

PROJECT LOCATION:

GOUVERNEUR

PROJECT COST:

\$1,243,500

AWARD AMOUNT:

\$900,000

DESCRIPTION:

Upgrade the Village's existing water distribution system to meet Kinney Drugs' demand for sufficient water pressure. Other commercial users in the community will also benefit from the increase in water pressure.

Regional Benefit

The project protects \$14 million of Kinney's pharmaceutical inventory, and retains 350 jobs at Kinney's Regional warehouse which distributes inventory to more than 90 pharmacies in the North Country.

Performance Measures For Award

Execute award contract. Submit and receive necessary permit approvals. Perform engineering and secure subcontractors.

Project Status

Award contract executed in February 2012. CSX approvals received. Approval letters are pending from the Department of Health and the Department of Transportation. Project waiver received from the State Historic Preservation Office. The project will be advertised by end of August, and the bids will be opened in mid-September. The anticipated construction completion date is December 2013.



ROUND 1 PROJECT NAME:
LYONS FALLS MILL SITE REDEVELOPMENT

APPLICANT:
LEWIS COUNTY DEVELOPMENT CORPORATION

PROJECT LOCATION:
LYONS FALLS

PROJECT COST:
\$4 MILLION

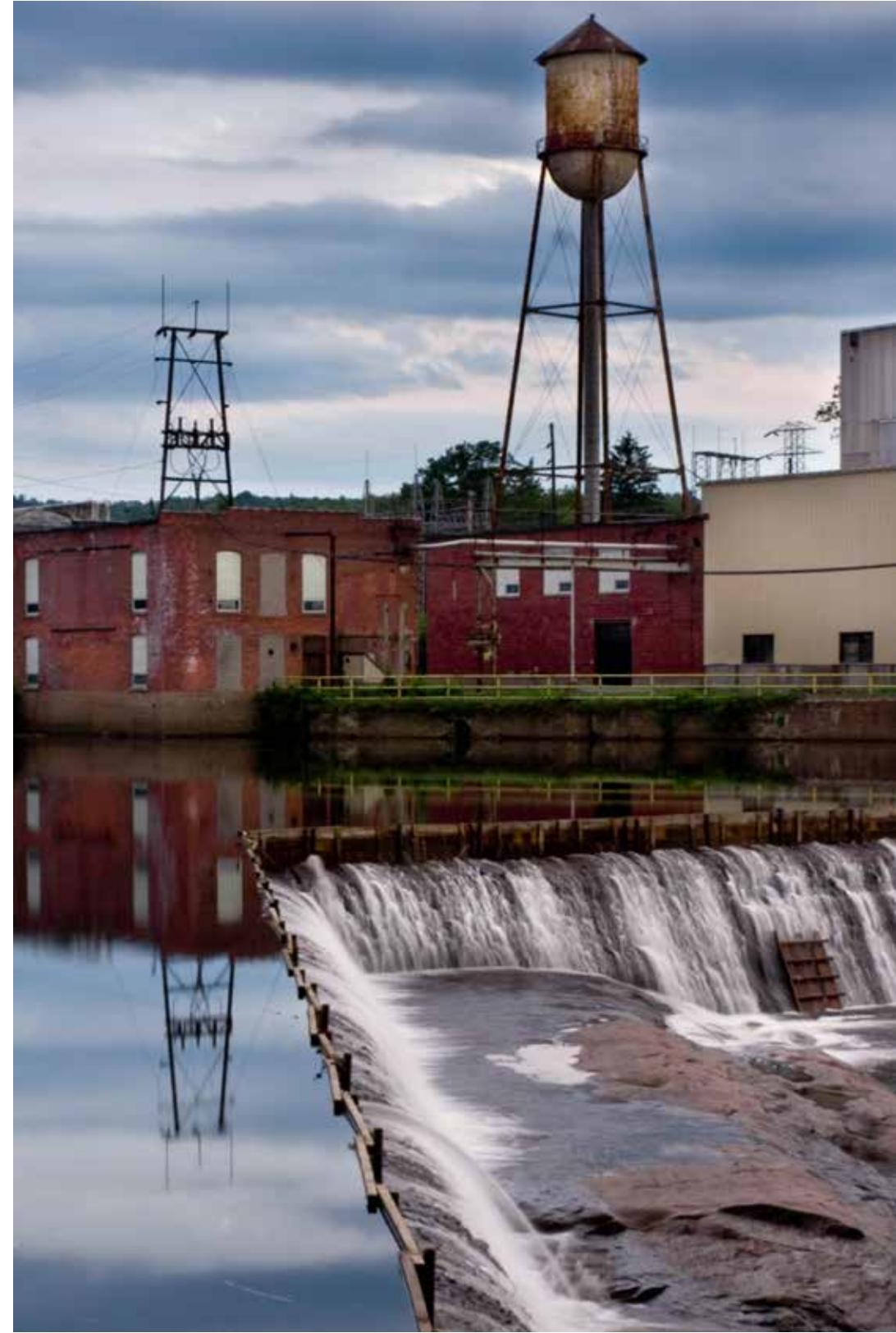
AWARD AMOUNT:
\$330,000

DESCRIPTION:
Redevelop a 9.4 acre brownfield site, which includes demolishing buildings and upgrading infrastructure to create a shovel-ready business park and allow for a \$30 million expansion of an existing hydrofacility and accommodate other sustainable energy facilities.

Regional Benefit
Demonstrates the adaptive reuse of an abandoned brownfield site in the North Country that will be used to increase the capacity of a locally generated sustainable energy resource; expand agricultural infrastructure; and promote biofuel production.

Performance Measures For Award
Execute award contract. Hire engineering and redevelopment consultant and engineering firm. Begin environmental and structural assessments, and initiate demolition engineering.

Project Status
Award contract executed. DANC hired as consultant and RFP issued for engineering firms. Engineering firm to be selected and contracted in late August or early September. Environmental, structural assessments and demolition engineering will begin by year's end.





ROUND 1 PROJECT NAME:

HAMILTON COUNTY BROADBAND

APPLICANT:

HAMILTON COUNTY

PROJECT LOCATION:

HAMILTON COUNTY

PROJECT COST:

\$524,444

AWARD AMOUNT:

\$472,000

DESCRIPTION:

Open high speed internet access to residential and business customers by upgrading switching equipment that serves Hamilton County communities.

Regional Benefit

This project will establish the presence of broadband infrastructure that will be used by Hamilton county residents, businesses and institutions.

Performance Measures For Award

Execute award contract. Complete engineering; secure project approvals and agreements; and upgrade IT switches and test system.

Project Status

Award contract executed. Engineering completed. Incentive agreement submitted. MWBE subcontract, utilization plan, and partial waiver approved. Switch upgrades on schedule to begin by September 1st, and system testing to be completed by end of 2012.



ROUND 1 PROJECT NAME:

SNOWPLOW

APPLICANT:

THE KROG CORPORATION

PROJECT LOCATION:

CLAYTON

PROJECT COST:

\$22,662,000

AWARD AMOUNT:

\$2.25 MILLION

DESCRIPTION:

Construct a 106-bed boutique hotel

Regional Benefit

Establishes tourism infrastructure that will serve as a driver to diversify the Region's economy

Performance Measures For Award

Execute award contract, construct the 106-bed boutique hotel, and create 90 new jobs.

Project Status

Award letter issued, incentive proposal issued and under negotiation, and construction planning is currently underway. Several factors have delayed the process including the need to request a Labor Project Agreement waiver. Anticipated construction completion date is April 2014.



ROUND 1 PROJECT NAME:
POULTRY MPU (MOBILE PROCESSING UNIT)

APPLICANT:
NORTH COUNTRY PASTURED, LLC

PROJECT LOCATION:
DEKALB JUNCTION

PROJECT COST:
\$204,200

AWARD AMOUNT:
\$130,000

DESCRIPTION:
Purchase, construct and operate mobile poultry processing facility.

Regional Benefit
Expands the diversity and value-added production of agriculture in the North Country.

Performance Measures For Award
Execute award contract. Order and purchase or construct a mobile unit, truck, and building; secure customers and poultry producers; and create four new jobs.

Project Status
Award contract executed. Truck was purchased and is on site; building is under construction; the mobile unit is ordered and purchased for September delivery; a USDA inspector has been assigned to the project; and four new jobs were created and filled; and a Hazmat plan is under development. The processing facility is completely booked for Thanksgiving, and customer targets are already reached with two producers each seeking to annually process 10,000 chickens. Thirty additional farmers have also expressed interest in working with the business.





ROUND 1 PROJECT NAME:
ENHANCING BIOSCIENCES IN NEW YORK

APPLICANT:
TRUDEAU INSTITUTE

PROJECT LOCATION:
SARANAC LAKE

PROJECT COST:
\$6 MILLION

AWARD AMOUNT:
\$1.2 MILLION

DESCRIPTION:
Develop a scientist recruitment program and support Trudeau's biomedical research and laboratory operations.

Regional Benefit
The project advances a biomedical organization as an anchor institution that will support an emerging bioscience industry cluster in the North Country.

Performance Measures For Award
Execute award contract. Develop recruitment program. Retain 92 jobs and create three new positions.

Project Status
Award letter has been issued and accepted.



ROUND 1 PROJECT NAME:
BLACK RIVER GENERATION FACILITY

APPLICANT:
REENERGY BLACK RIVER, LLC

PROJECT LOCATION:
FT. DRUM

PROJECT COST:
\$35 MILLION

AWARD AMOUNT:
\$30 MILLION

DESCRIPTION:
Convert a former coal plant into 60 megawatt biomass energy facility at Ft. Drum

Regional Benefit
The project supports the sustainable operations of Ft. Drum, advances the Region's vision to create the greenest energy economy in the State by providing long term procurement contracts to the Region's logging industry.

Performance Measures For Award
Implement Industrial Revenue Bond allocation through the Jefferson County IDA. Receive all necessary approvals, including a PILOT. Commence and complete reconstruction of the plant. Create 178 new construction jobs, and 307 direct and indirect jobs at the plant and in the logging industry.

Project Status
IRB allocation is approved; PILOT is approved, and plant reconstruction is underway.



ROUND 1 PROJECT NAME:
NEWTON FALLS RAIL REHABILITATION

APPLICANT:
ST. LAWRENCE COUNTY IDA

PROJECT LOCATION:
NEWTON FALLS

PROJECT COST:
\$11,080,000

AWARD AMOUNT:
\$9,972,000

DESCRIPTION:
Perform phase I of rail line rehabilitation that will reopen 46.25 miles of rail which runs through three counties and serves several businesses including Newton Falls Fine Paper, Benson Mines and Slack Chemical.

Regional Benefit
This project will restore and enhance the most efficient, environmentally-friendly and reliable form of transportation, at the most cost effective price, and service the paper mill at Newton Falls and operations at Benson Mines.

Performance Measures For Award
Secure necessary agreements including PI-LOTs, railroad, and New York State contract. Perform Phase I activities of spec development, line clearing, surveying, and temporary line repairs.

Project Status
Long-term agreement between the St. Lawrence County IDA and Mohawk Adirondack & Northern Rail Road established; a revised PILOT payment schedule established; and a contract is under negotiation with the State. Phase I activities (specs development, line clearing, surveying, temporary line repairs) are on schedule and will be completed by the end of 2012. Overall project construction will be complete by end of 2013.



F • Round 2 Performance Measures

PERFORMANCE MEASURES were also developed for the key strategies that will be advanced by the Council through 2013. To develop these measures, members of the Council's Priority Project and Plan Implementation Committee established a Performance Measures sub-committee that consisted of faculty and staff members from: Jefferson Community College, Clarkson University's Reh Center for Entrepreneurship, St. Lawrence University, SUNY Potsdam, and SUNY Plattsburgh. Members of the sub-committee met through a series of meetings and phone conversations to discuss and draft performance measures that would track funded projects and help evaluate the advancement of Council's plan.

TO EVALUATE PROGRESS on the implementation of priority projects, the Council will continue to utilize the framework that was established during Round 1 of the Regional Council competition. This framework includes receiving regular updates from Empire State Development Corporation staff on the issuance, acceptance and execution of contracts; anticipated start and completion dates; addressing unforeseen challenges or obstacles to initiate and implement a project; and reallocating funds to other projects when necessary.

THE COUNCIL UTILIZED the reprogramming process earlier this year for the Ogdensburg Bridge and Port Authority when the Authority needed to change their scope of work from a rail upgrade to a road building project. The Priority Project and Plan Implementation Committee will also continue to hold meetings in every county of the Region and meet with priority project recipients to receive project updates, discuss project start and completion dates, address any challenges, and review next steps to successfully implement a project.

TO MONITOR THE IMPLEMENTATION of CFA-funded projects, the Council will rely on the State's online CFA project database which identifies CFA projects in the Region by funding agency, project title, applicant, project description, award amount, contract execution date, and anticipated completion date.

FOR ALL OTHER performance measures that are not CFA or priority project specific, the Council will rely heavily on its State Agency Response Team to provide technical assistance in the collection and analysis of this data as no other resources are presently available to the volunteer members who serve on the Council or its committees. The performance measures to monitor the pursuit of the Plan's Vision and associated key strategies will follow.

Vision I:
Energize our micropolitan cities, building on growth in the aerospace, transit equipment, defense, biotech and manufacturing industries

WORKFORCE DEVELOPMENT

STRATEGY I: Develop a strong workforce development system to support the needs of employers in the targeted clusters using a combination of new and incumbent worker training including flexible on-the-job-training, certificate programs, apprenticeships, degree programs, and recruitment assistance.

Performance Measures:

- Number of training programs/projects funded through CFA awards or NCREDC priority project investment
- Number of incumbent employees receiving training
- Number of new trainee job placements *(based on data provided by the Department of Labor)*

DEFENSE

STRATEGY I: Address the shortage of rental housing available for soldiers and their families in the Fort Drum area and, in turn, improve the quality of housing options for the community as a whole.

Performance Measures:

- Number of units constructed
- Number of units rehabilitated
- Number of units weatherized
- Number of units purchased *(based on data provided by the Department of Housing and Community Renewal)*

MANUFACTURING

STRATEGY I: Create a Business Retention and Expansion Plan for existing large manufacturers.

Performance Measures:

- Number of manufacturing firms contacted by IDA representatives *(based on data provided by local IDAs and North Country Alliance)*
- Number of manufacturing firms assisted through CFA awards or NCREDC priority project investment
- Number of manufacturing jobs retained/created through CFA awards or NCREDC priority project investment *(based on data reported by the Regional Council and Empire State Development Corporation)*

Vision II:
Combined vision for entrepreneurial pioneers and small business start-ups: to attract and nurture entrepreneurial pioneers to cultivate innovative clusters in our rural communities and to catalyze the highest per capita rate of small business start-ups in the state

SMALL BUSINESS DEVELOPMENT

STRATEGY I: Foster development of small businesses and entrepreneurial activities.

Performance Measures:

- Number of persons assisted by Small Business Development Centers, Clarkson's Reh Entrepreneurship Center, and Adirondack Economic Development Corporation *(based on data provided by each center)*
- Number of small business assistance grants funded through CFA awards or NCREDC priority project investment
- Number of small business jobs created or retained through CFA awards or NCREDC priority project investment *(based on data provided by Empire State Development Corporation)*
- Number of DBA and discontinuance filings by County, including before and after Priority Project and CFA funding announcements

Vision III:
Mobilize the creativity and capacity of the graduates of our outstanding places of higher education

STRATEGY I: The North Country's institutions of higher education and research/development will review and implement incentives for collaborative projects, research and entrepreneurial activity among and between the colleges and universities.

Performance Measures:

- Number of businesses assisted through incubator programs
- Number of jobs established through incubator programs *(based on data provided by local IDAs and North Country Alliance)*
- Number of collaborative grant applications submitted
- Number of collaborative research projects funded
- Number of collaborative white papers and articles published *(based on data provided through the Higher Education Consortium)*

Vision IV:
Elevate global recognition of the region as one of the special places on the planet to visit, live, work and study

STRATEGY 2: Foster the development and enhancement of Sub-Regional plans and marketing analyses that identify opportunities to attract more businesses, students, and ‘boomer’ retirees; drive new markets for agricultural and artisan producers; encourage new investment in the Region; create higher value-added opportunities for Regional products and services; grow the number of visitors to the Region, and increase tax revenue to the State.

Performance Measures:

- Number of tourism marketing and analysis plans funded through CFA awards or NCREDC priority project investment
- Numbers of inquiries received by CFA or priority project funding recipients before and after marketing plans are implemented. Examples include: number of internet visits to website; number of hits to internet banner ads; and number of inquiries to advertisements aired on digital cable (*based on data provided by Empire State Development Corporation*)
- Number of non-resident fishing and hunting licenses issued by county
- Number of registrants (based on geographic origin) and length of stay at DEC trailheads and campgrounds (*based on data provided by the Department of Environmental Conservation*)
- Number of passenger vehicles traveling through the Region’s border crossings with Canada (*based on data from the US Bureau of Transportation Statistics*)
- Number of boat registrations by county (*based on data provided by the Department of Motor Vehicles*)
- Annual sales and hotel occupancy tax revenue per capita by county (*based on data provided by the Office of the New York State Comptroller, the New York State Department of Tax and Finance, and county Treasurer’s Offices*)

Vision V:
Activate tourism as a driver to diversify our economies

STRATEGY 1: Develop tourism infrastructure to transform the Region by driving community development and leveraging private investment in tourism hub communities and corridors

Performance Measures:

- North Country Regional Tourism Fund established with NCREDC priority project investment
- Number of firms assisted through Tourism Fund
- Number of jobs created/retained through Fund investments (*based on data provided by Tourism Fund administrator*)

Vision VI:
Propagate an agricultural revolution as we help feed the region and the world

STRATEGY 1: Maintain, establish and expand the presence of storage, processing and distribution facilities in the Region to promote the sales of value-added agricultural products that are sold locally and globally.

Performance Measures:

- Number of agricultural and agribusiness firms assisted through CFA awards or NCREDC priority project investment
- Number of jobs created/retained by firm
- Number of farm contracts or leases secured/retained by firm (*based on data provided by Empire State Development Corporation, NY Dept. of Ag*)

Vision VII:
Create the greenest energy economy in the state

STRATEGY 3: Maximize North Country utilization of energy efficiency resources and programs to reduce total housing and energy costs

Performance Measures:

- Number of households and firms assisted through programs/projects funded through CFA awards or NCREDC priority project investment
- Number of BPI certified contractors participating in CFA or NCREDC priority project funded programs/projects (*based on data provided by New York State Energy Research and Development Authority and Empire State Development Corporation*)

STRATEGY 4: Invest in large and small clean energy businesses

Performance Measures:

- Number of clean energy technology projects funded through CFA awards or NCREDC priority project investments
- Amount of clean energy produced as a result of CFA awards or NCREDC priority project investment
- Number of farm leases/contracts signed by firms for biomass energy production (*based on data provided by New York State Energy Research and Development Authority and Empire State Development Corporation*)

Overarching Strategies:

CANADIAN CONNECTION

STRATEGY 1: The North Country will lead initiatives to fully tap the power of the dynamic international border by actively and aggressively broadening and deepening its already powerful economic relationship with Ontario and Quebec, creating the most attractive, supportive and dynamic location for Canadian-based investment, travel and other economic activity in the U.S. The Council will build upon the North Country's two existing bi-national corridor coalitions.

STRATEGY 2: Optimize fluidity at the North Country's U.S. - Canadian Border Crossings. The relative ease and predictability of the cross border movement of cars and commercial traffic, trains, boats and energy transmission is essential to a successful North Country economic future. It is also vital to the North Country's key role as New York's gateway with Quebec and Ontario, bringing progress and opportunity to the entire State.

Performance Measures:

- Development of groundwork by New York State and Quebec for next Quebec-New York Economic Summit.
- Number of Canadian firms locating to and expanding in the North Country *(based on data provided by local IDAs and economic developers and the North Country Alliance)*
- Border crossing numbers in 2012 compared with 2011
- Wait/dwell times at the North Country's major border crossings
- Other available indicators such as hotel occupancy rates and sales tax receipts in 2012 compared to 2011 in border counties

COMMUNITY DEVELOPMENT

STRATEGY 1: Recognize the importance of community and Regional planning in achieving the Council's vision.

Performance Measures:

- Number of community and master planning awards and plan implementation awards funded through CFA awards or NCREDC priority project investment *(based on data provided by the Department of State, Office of Parks, Recreation and Historic Preservation, New York Council on the Arts, Department of Environmental Conservation, Empire State Development Corporation and NYSERDA)*
- Number of low to moderate income units constructed, rehabilitated weatherized and purchased through CFA or Unified Funding awards
- Number of Main Street projects awarded through CFA awards or NCREDC priority project investment *(based on data provided by the Department of Housing and Community Renewal)*
- Number of Historic Preservation projects awarded through CFA awards or NCREDC priority project investment *(based on data provided by the Office of Parks, Recreation and Historic Preservation)*

STRATEGY 2: Support affordable broadband access throughout the North Country Region.

Performance Measures:

- Number of broadband projects funded through CFA awards, NCREDC priority project investment, and the NY Connect Broadband Program
- Change in footprint of broadband coverage map produced by the Empire State Development.
- Size of customer service area established through CFA awards or NCREDC priority project investment *(based on data provided by Empire State Development Corporation)*

STRATEGY 2: Preservation and optimization of the North Country's rail infrastructure as a vital supporting asset for future economic development and the Region's desired place in the green economy. This will include, but not be limited to, the development of High Speed Rail in the Montreal-New York City corridor; preservation and full rehabilitation of the Adirondack railroad infrastructure from Remsen to Lake Placid; preservation and rehabilitation of the CSX rail infrastructure serving Newton Falls and southern St. Lawrence County and consideration of the relocation of rail lines that hamper community opportunities for economic growth.

Performance Measures:

- Number of projects funded through CFA awards or NCREDC priority project investment
- Miles of rail rehabilitated and hauling capacity
- Number of cargo and passenger cars utilized on rail line before and after rehabilitation has occurred *(based on data provided by Empire State Development Corporation and New York State Department of Transportation)*

G. Progress Overview

Overview of Vision, Strategies and Actions

AS A VAST, DIVERSE, unique Region of New York State, the North Country appropriately devised a plan in 2011 which simultaneously focuses on a number of ingredients for success, posing the need for a sustained series of “firecrackers” versus a “big bang”.

OUR PLAN BEGINS with a Vision statement that embraces eight interconnected elements along with a series of overarching strategies. There are then 39 distinct strategies, each linking back to an element of the Vision, and more than 150 actions for implementation of our five-year plan. While seemingly large in number, the plan content rightly reflects the complexity of the North Country and captures the many strategic endeavors which were largely already occurring in localized ways but in need of an infusion of Regional and State support.

IMPLEMENTATION, THEN, was particularly dependent on the construction of a new and sustainable framework for collaboration and shared support across a seven county Region that had never functioned on such a broad geography before. The single greatest “progress” we can happily report is therefore the establishment of this powerful new Regional platform, highlighted by Governor Andrew Cuomo and all observers as remarkable, placing unprecedented positive energy behind all of our Region-wide efforts.

ALSO SIGNIFICANT has been our determination to not overly focus on the “projects” but instead to stay focused on the “strategies”, with State funded projects being only one potential means of implementing various strategies. While we have put great collective effort behind the clear progress of our many Priority and CFA projects, we have placed as much importance on other key strategies such as “Border Fluidity” which involved no State project but effective advocacy in Washington and Ottawa, heightened collaboration among various interests in the Adirondack Park through initiatives such as the new Adirondack Partnership and Common Ground, major progress toward creation of the desired biotech cluster in Saranac Lake with the location of two dynamic biotech companies in the downtown through the efforts of the village, the launch of a North Country STEM Hub as part of the Empire State STEM Learning Network, and solidified Regional support behind the future of Fort Drum, to name but a few of many such examples.

IN CARRYING OUT this first year of implementation, and setting the path for implementation action going forward, we worked with our State agency partners and others to identify twelve “Key Strategies”. These have helped to give particular attention and prioritization to elements of our plan regarded as foundational to overall success, and we are pleased to report substantial action and progress behind each of them.

AT THE SAME TIME, because of the high level of success we have achieved in constructing a new Regional platform which has earned the continued commitment and belief of hundreds of key partners and volunteers, we have also been able through our Work Groups and other channels to encourage and achieve progress with other strategies and action items as well. Simply put, we have left no strategy behind.

III

Implementation Agenda

INTRODUCTION

THE NORTH COUNTRY Regional Economic Development Council's Priority Project and Plan Implementation Committee (P3IC) developed priorities for Strategy implementation which have been validated by the Council's thirteen Work Groups and Committees. A team approach was developed that uses specific Council Members and Work Group Chairs and Co-chairs to advance key actions and to strengthen communication between the Council and Work Groups. This year, work targeted the Key Strategies which were the initial focus of the P3IC committee and the focus of the State Agency Resource Teams (SARTs). All changes and benchmark actions were tracked by each Work Group. The Groups also identified refinements of existing strategies and developed new strategies. The Pipeline and Public Participation Process was used to solicit projects that advance the Key Strategies.

THE COUNCIL'S IMPLEMENTATION AGENDA focuses on the twelve Key Strategies and outlines the progress that was made in 2012, identifies obstacles encountered, overcome, or foreseen, discusses 2012-2013 priorities; and outlines the role of the State Agency Response Team (SART) in NCREDC process. Progress on actions and associated timelines are outlined generally in the narrative and more definitively in attached Key Strategies Tracking Sheet.

WHILE THE PRIMARY FOCUS of the NCREDC has been on cultivating the Key Strategies, other strategies and priorities were also advanced, as illustrated in the full Implementation Matrix included as an Appendix.



KEY STRATEGY #1

WORKFORCE DEVELOPMENT

DEVELOP A STRONG WORKFORCE DEVELOPMENT SYSTEM TO SUPPORT THE NEEDS OF EMPLOYERS IN TARGETED CLUSTERS USING A COMBINATION OF NEW AND INCUMBENT WORKER TRAINING INCLUDING FLEXIBLE ON-THE-JOB-TRAINING, CERTIFICATE PROGRAMS, APPRENTICESHIPS, DEGREE PROGRAMS, AND RECRUITMENT ASSISTANCE.

PROGRESS:

The North Country Regional Economic Development Council recognizes the importance of strategic, forward-looking workforce development initiatives both to existing and potential new industries and clusters. Workforce issues are cited as the number one concern for North Country businesses, and a persistent gap exists between the skills of long-term unemployed workers and the requirements of chronically unfilled positions in key industries.

The North Country Regional Economic Development Council has progressed implementation of this Key Strategy in Year 1 through the efforts of a Workforce Liaison Group, appointed by the Regional Council and drawn from workforce development professionals across the region.

1) Consultants Secured and Parameters Developed for Workforce Development Industry Survey

The Workforce Development Liaison Group has secured the assistance of the Clarkson School of Business MBA Consulting Group to conduct a survey of key industry sector businesses in the region and to identify skill set needs and gaps in workforce development services.

This survey will take place in Year 2, with an estimated completion date of May 2013. A team of MBA Student Consultants from Clarkson University will survey leaders in key clusters, as well as economic development officials and educational institutions, to identify existing workforce development resources and to map assets in the region. The results of this survey will then be used to determine gaps in employment skills and workforce program coverage.

Key questions to be addressed by the survey:

- What are the existing North Country resources for workforce development?
- What are the key employment skills needed by each identified targeted cluster?
- What types of opportunities are organizations seeking to fill, including level of position, desired education, and preferred aptitudes?
- Are there current workforce programs that are funded? What are the outcomes?

KEY STRATEGY #1,
continued

WORKFORCE DEVELOPMENT, continued

2) Work Plan Outlined for a Resource Guide of Key Occupations, Credentials and Training Facilities in the Region

The Clarkson School of Management will develop a resource guide of key occupations, credentials and training facilities in the North Country, which will be posted on the NCREDC website. This resource guide will be developed with input from higher educational institutions, WIBs and BOCES Adult Education Centers in the region and will direct those seeking skills training to the appropriate provider.

Anticipated deliverables from this project include:

- What are the existing North Country resources for workforce development?
- What are the key employment skills needed by each identified targeted cluster?
- What types of opportunities are organizations seeking to fill, including level of position, desired education, and preferred aptitudes?
- Are there current workforce programs that are funded? What are the outcomes?

3) STEM Initiative launched in support of Advanced Manufacturing

This year, the North Country became a full and engaged participant in the Empire State STEM Learning Network. Clarkson University has been established as the regional hub, several meetings have successfully drawn together key partners, and North Country representatives are taking part in statewide dialogues and strategy development. Several creative endeavors around the region, such as “*Thrive in Clinton County*,” the state’s first rural Strive/Cradle to Career partnership, developed in partnership with SUNY, have been linked and incorporated to maximize coordination and impact. The North Country STEM hub is directly fostering the development of a number of new collaborations and initiatives designed to enhance STEM skills in our region, which will in turn support existing and future advanced manufacturing activities.

4) Workforce Training Funded by Private Sector 2011 CFA Successes

While 2011 CFAs submitted directly for strategic workforce development assessment and planning were unsuccessful, the North Country Regional Economic Development Council was able to advance workforce development efforts of key regional employers through 2011 CFA awards to the Adirondack Medical Center, Roth Industries, and Florelle Tissue. All three training programs are in progress.

5) Partnership Established with Federal Representatives to Advance Workforce Development

Council Workforce Liaison Group members have established a working partnership with federal representatives. Discussions are ongoing regarding North Country regional workforce issues and the importance of the allocation of federal resources to address skill and training program gaps in the region.

6) Future Action Items Reviewed and Refined

The Workforce Development Liaison Group reviewed and refined the out-year Workforce Development strategies included in the 2011 Strategic Plan, and have refined Action Items for Years 2 – 5.

OBSTACLES ENCOUNTERED, OVERCOME, OR FORESEEN:

The lack of a suitable funding stream for a survey of current workforce development service providers and for strategic planning to improve those services in the 2011 and 2012 CFA rounds has been a significant obstacle to the North Country’s progress on this Key Strategy. While a limited amount of Workforce Development funding was included in the 2011 CFA round, funding was allocated for rapid response to the imminent loss of a major employer. These funds could not be used for the type of thoughtful strategic planning identified as a key need by the North Country Regional Economic Development Council, as evidenced by unsuccessful North Country CFAs submitted for this purpose in the 2011 round. The North Country Regional Council has overcome this obstacle by partnering with the Clarkson School of Management to develop plans to complete this strategic analysis.

KEY STRATEGY #1,
further continued

WORKFORCE DEVELOPMENT, *further continued*

**2012-2013
PRIORITIES:**

- **WORKFORCE DEVELOPMENT INDUSTRY SURVEY:** Clarkson School of Business MBA Consulting Group will conduct a survey of key industry sector businesses in the region and identify skill set needs and gaps.
- **RESOURCE GUIDE DEVELOPMENT:** The Clarkson School of Management, with input from higher educational institutions, WIBs and BOCES Adult Education Centers in the region, will develop a resource guide of key occupations, credentials and training facilities in the North Country.
- **STEM INITIATIVE:** The Empire State STEM Learning Network Regional Hub at Clarkson University will continue to develop new collaborations and initiatives to enhance STEM skills in our region, supporting existing and future advanced manufacturing.
- **NORTH COUNTRY SUNY 2020 CHALLENGE:** With the goal of placing SUNY campuses at the center of the State's Regionally-based economic revitalization strategy, the Council will work to help implement those projects developed by our SUNY partners, Plattsburgh and Potsdam, that support collaborative partnerships, leverage external funding, provide broad based student impact, most importantly are tied to Council Regional strategies creating job opportunities.

**ROLE OF THE STATE AGENCY
RESPONSE TEAM (SART):**

The Workforce Development Liaison Group of the Council will require on-going technical and financial support from NYS agencies in order to achieve Strategic Plan goals. The assistance of the Department of Labor's State Research and Assistance Bureau will be essential in providing data to inform the Clarkson School of Management's survey and resource guide. The Department of Labor can also assist in marketing workforce development programs through the DOL website in Years 3-5 of the Strategic Plan.

Finally, the State Agency Resource Team can assist the Council by identifying and including appropriate funding sources for strategic workforce development efforts in the 2013 CFA round.

KEY STRATEGY #2

FORT DRUM HOUSING

ADDRESS THE SHORTAGE OF RENTAL HOUSING AVAILABLE FOR SOLDIERS AND THEIR FAMILIES IN THE FORT DRUM AREA AND, IN TURN, IMPROVE THE QUALITY OF HOUSING OPTIONS FOR THE COMMUNITY AS A WHOLE.

PROGRESS:

The on-going expansion of Fort Drum has resulted in an immediate need for over 1100 units of rental housing. The North Country has made significant progress in addressing the rental housing shortage in the Fort Drum area and in securing resources to improve housing stock in the area.

In the 2011 CFA competition, the Development Authority of the North Country was awarded \$4.0 million (CFA#7697) for the Community Rental Housing Program (CRHP). The CRHP funds have been allocated to the COR/Beaver Meadows project for 296 units, and to the Morgan Management development for 394 units. In addition, COR was separately awarded \$2.4 million under CFA #2774 to support the Beaver Meadows development. Both developments are in the Town of Watertown, close to shopping areas and amenities in the City of Watertown, and are within a 15 minute drive to Fort Drum.

These two developments are under construction, and will deliver units to the market beginning in 2013. Additional developments are being considered in the Town of Pamela, City of Watertown, and Villages of Sackets Harbor and West Carthage that, in total, will close the immediate unit gap in the rental housing market. Other housing projects that are addressing improvement in the overall housing market include:

PROJECT	TYPE	AWARD	UNITS COMPLETED /TOTAL
Neighbors of Watertown	First Time Home-buyer's Insurance	\$300,000	8/10
Frontier Housing	Homeowner's Improvements	\$300,000	8/30
Frontier Housing	Emergency Repairs for Homeowners	\$75,000	7/10
City of Watertown	Rental Rehabilitation	\$400,000	0/14
Jefferson County	Homeowner and Rental Rehabilitation	\$600,000	11/23
Neighbors of Watertown	Upper Floor Residential Rental Development	\$507,300	0/15
Village of Carthage	Homeowner and Rental Rehabilitation	\$400,000	7/20

As the immediate Fort Drum related housing supply shortfall is alleviated, the community will shift to investing in, and upgrading, existing housing stock.

KEY STRATEGY #2,
continued

FORT DRUM HOUSING , *continued*

**OBSTACLES ENCOUNTERED,
OVERCOME, OR FORESEEN:**

A significant obstacle encountered in addressing the shortage of rental housing is the negotiation and adoption of payment in lieu of tax (PILOT) agreements or other tax relief measures by local taxing jurisdictions. PILOT agreements and other tax relief measures are often times required by project developers/owners to ensure the financial viability of developments which include residential units that are subject to rental restrictions and still meet the economic tests of lenders. Local taxing jurisdictions are often reluctant to forgo tax revenues. There has been significant negotiation among community leaders and local elected officials to successfully craft PILOT agreements on the COR and Morgan Management projects. Future large scale housing developments may face the same challenges.

A second obstacle has been access to private debt financing. The mobility of the military market is a risk factor that has historically limited the availability of, or raised the cost of, private capital needed to complete the financing of these housing projects. Fortunately, the financial strength and extensive experience of the developers building the first two projects has enabled them to overcome this obstacle.

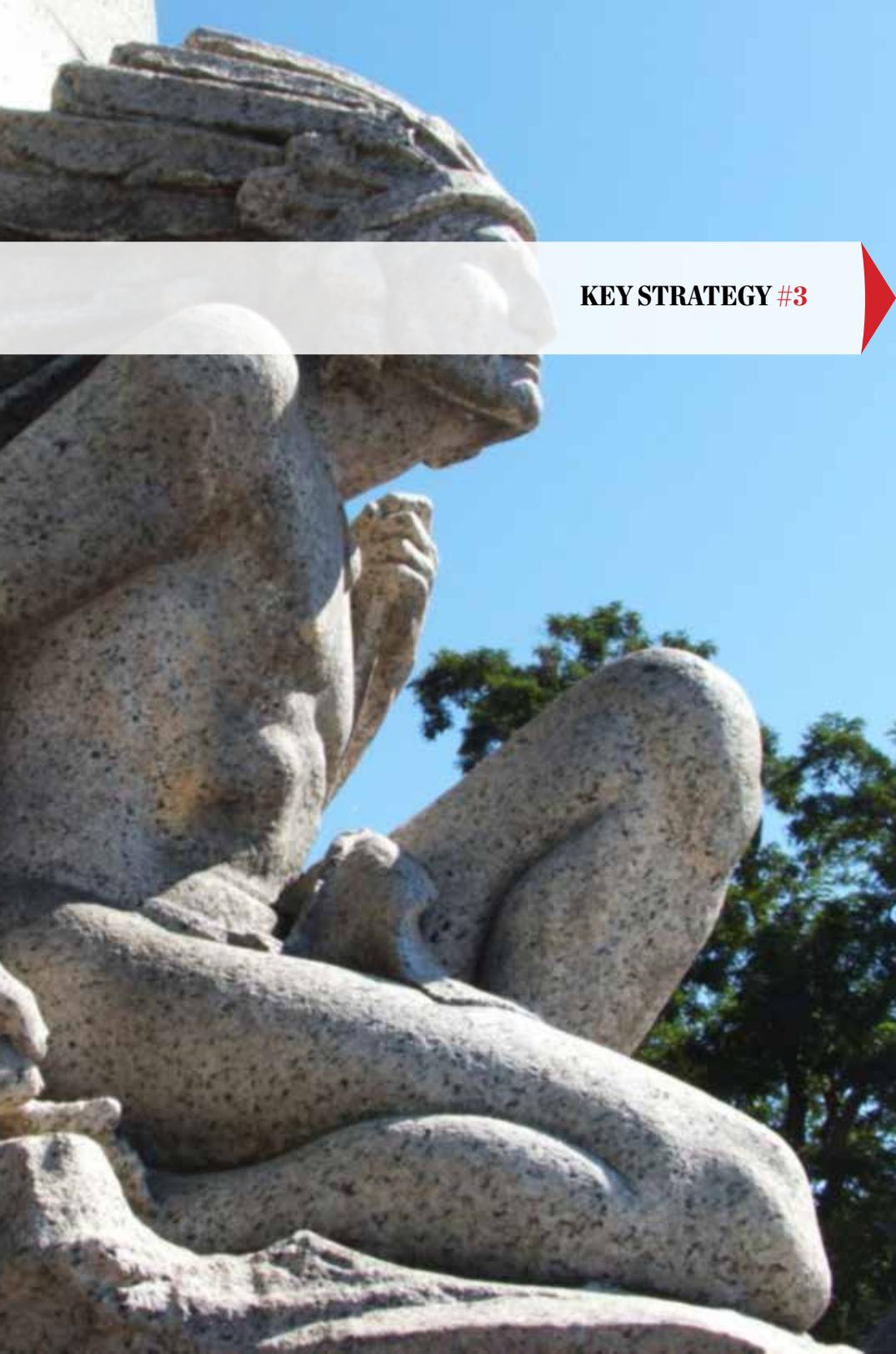
A third obstacle that has been addressed is the financing gap created by trying to serve this unique market. Significant state and local resources have been invested to close the gap between financing available from private debt and equity sources and what these properties can support in rents from the marketplace.

**2012-13
PRIORITIES:**

In the 2012 CFA process two projects have emerged as Priority Projects to address Fort Drum Housing. Creekwood Phase II has applied for \$3.0 million in public money to be matched by \$18.65 million in private capital. Norstar Development USA LP builds, owns, and manages multi-family housing throughout New York State. The project will build 104 units of housing to serve low and moderate income families, and military personnel, in Watertown, Jefferson County. COR Route 26 Company, LLC, builds, owns and manages commercial and residential real estate projects across New York State. The project will build 364 apartments to serve families and military personnel in West Carthage, Jefferson County. In addition to these two new multi-family rental projects, the Fort Drum Regional Liaison Organization together with DANC and local housing organizations will be placing significant effort on rental rehabilitation, adaptive reuse and infill development projects to relieve pressure on low vacancy rates and improve substandard housing conditions in the City of Watertown and nearby villages and hamlets.

**ROLE OF THE STATE AGENCY
RESPONSE TEAM (SART):**

The communities that support the continued growth of Fort Drum will require the on-going technical and financial support from NYS agencies. Community growth opportunities exist due to Fort Drum's high profile within the Department of the Army, and our communities must be ready to capitalize on these growth opportunities with investments in infrastructure and housing



KEY STRATEGY #3

BUSINESS RETENTION AND EXPANSION

CREATE A BUSINESS RETENTION AND EXPANSION PLAN (BREP) FOR EXISTING LARGE MANUFACTURERS.

PROGRESS:

Business Retention and Expansion has been a top priority of the Council in 2012. As noted in the Council Strategic plan, the North Country economy is anchored by several strong industry clusters. The companies that comprise the manufacturing sector employ thousands of people and annually inject millions of dollars into the regional economy.

Regional Assessment of Needs of Large Manufacturing Companies:

The Council established a Project Pipeline Committee and an Economic Developers Liaison in 2012 to strengthen ties with the private sector. These groups collected information from the North Country Alliance, communities, and private sector companies about projects and initiatives that may be considered for inclusion as future Priority Projects. The Priority Project and Plan Implementation Committee also conducted outreach to County IDAs in an effort to identify companies that will be or are expanding and those at risk of leaving. NCREDC used this information to target companies for Business Retention and Expansion support.

Through outreach to County IDAs, the Priority Project and Plan Implementation Committee also determined that all North Country Region County IDAs already had a process in place for monitoring key manufacturers and employers, which included quarterly contacts and discussions. Each IDA now sends these quarterly reports to the NCREDC, facilitating the development of a regional inventory of the status of large manufacturers.

Successful Business Retention and Expansion Funded by Private Sector 2011 CFA Awards:

- Bombardier Expansion, Plattsburgh
- Reallocation of C Speed to a key North Country manufacturing expansion
- Kraft Expansion
- Kinney Drugs Retention, Village of Gouverneur
- ReCharge NY Power Allocations - Agrimark, Barton Mines LLC, Cives Corp dba Viking Cives USA, Climax Manufacturing Co., Climax Paperboard Inc., Corning Inc., Fibermark North America, Inc., Great Lakes Cheese of New York Inc., HDK Wood Products, HP Hood LLC, Interface Solutions Inc., Inteplast Group Ltd., International Paper Ticonderoga Mill, Jain Irrigation Inc., NYCO Minerals Inc., Omniafiltra LLC, Qubica AMF Bowling, R.T. Vanderbilt Co. Inc.-Gouverneur Mineral Division, Renzi Bros. Inc., Reynolds Metals Co., Stature Electric, Ward Lumber Company Inc.

KEY STRATEGY #3,
continued

BUSINESS RETENTION AND EXPANSION, *continued*

**OBSTACLES ENCOUNTERED,
OVERCOME OR FORESEEN:**

The Manufacturing Work Group's initial challenge was to develop a definition of "large manufacturer" that would be accepted across the region. The group came up with the following:

A "LARGE MANUFACTURER" IS A MANUFACTURER OR R&D FIRM IN THE NORTH COUNTRY WHO MEETS ONE OR MORE OF THE FOLLOWING CRITERIA:

- 200 or more employees
- Critical to the local economy in which it is located
- Direct link to our natural resources/landscape

A major obstacle identified by the group was the absence of a CFA funding stream to develop a full scale Business Retention and Expansion plan for the North Country. All work conducted to date has been a volunteer effort, requiring commitments from already busy professionals, which has led to some delays in implementation.

**2012-2013
PRIORITIES:**

INTERNATIONAL PAPER RETENTION:

International Paper's Ticonderoga Mill Natural Gas Conversion project will convert the facility's power boiler(s) and lime kiln from fuel oil to natural gas, significantly reducing the mill's major operational cost hurdle. The project will improve both the competitive position of the manufacturing facility for the long-term and improve emissions from the plant, critical in the Adirondack region.

CURRENT APPLICATIONS EXPANSION PROJECT:

Current Applications' \$693,000 expansion project will add 10,200 SF to the company's existing 20,000 SF facility. The additional space and new equipment will improve efficiency, expand production capacity, and allow the expansion of a new product line.

ALCOA EXPANSION:

Alcoa plans a major expansion including a re-opening their east plant. The project is expected to be in excess of \$1 billion dollars. Alcoa's Board is expected to vote on the proposal by spring 2013.

2011 PRIORITY MANUFACTURERS:

The Council will use its BRE network to assist those companies that are part of our implementation program, to ensure expeditious outcomes of their projects.

SOLICITATION OF BOMBARDIER

SPIN-OFF SUPPLIERS:

As the Bombardier expansion moves closer to being fully operational, close collaboration between local developers and the Council's BRE efforts will work to target a functional supply chain.

INCREASING THE AVAILABILITY OF NATURAL GAS IN THE REGION:

The Council will continue to work to make this environmentally compatible and cost competitive fuel alternative available to more large manufacturers.

COORDINATION OF REGIONAL BUSINESS AND RETENTION EFFORTS:

The Manufacturing Work Group will work in partnership with the State Agency Resource Team and County Development Groups to standardize BRE reporting, set up an "Early Warning System" to identify at risk businesses, and identify best practices for regional retention and expansion efforts.

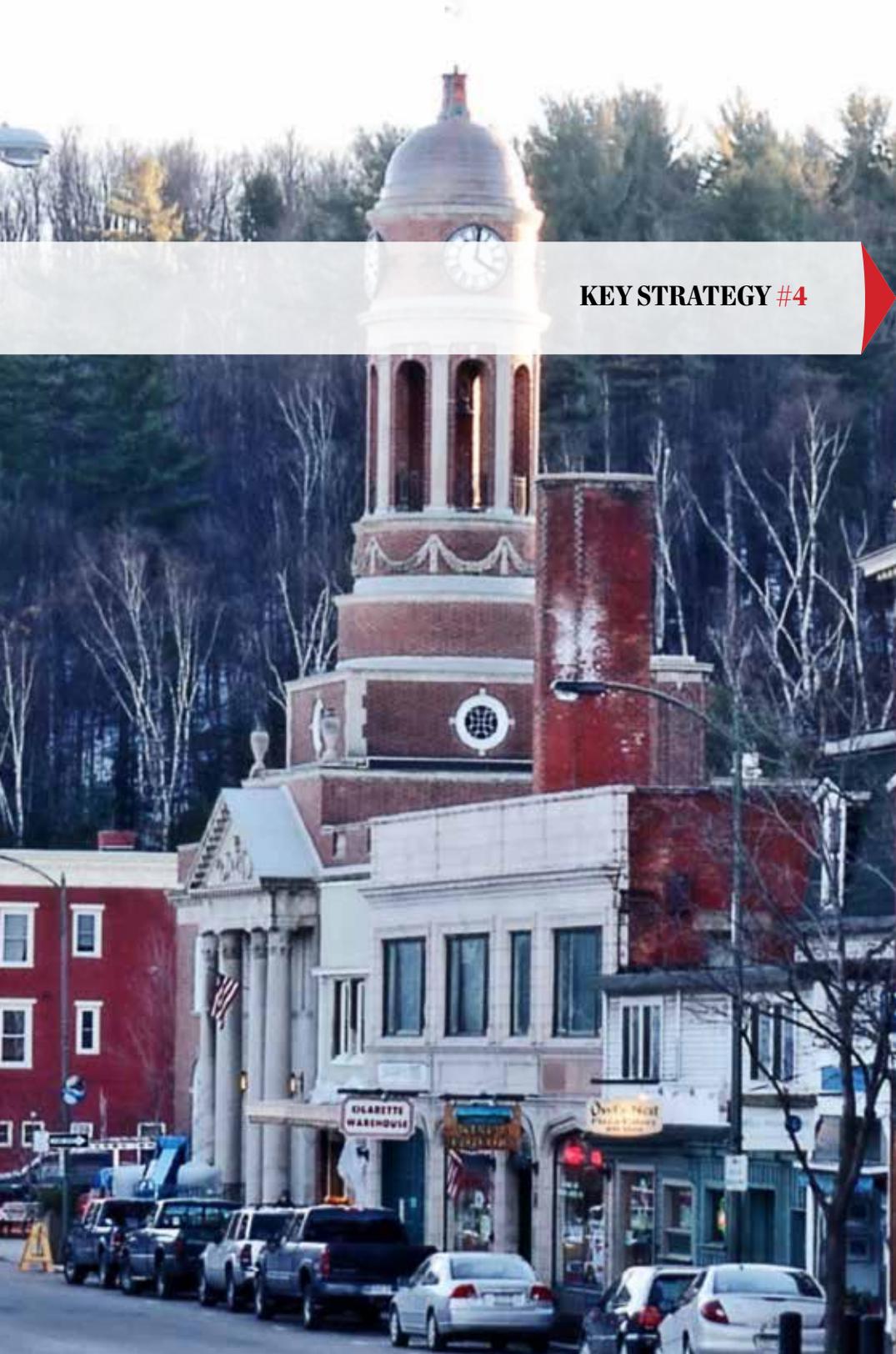
DEVELOPMENT OF A REGIONAL BUSINESS RETENTION AND EXPANSION PLAN:

The Manufacturing Work Group will also work in partnership with the State Agency Resource Team and the County IDAs to develop a regional BR&E plan to aid state and local officials, economic developers, business leaders and the Council alike in targeted expansion and retention efforts.

ROLE OF THE STATE AGENCY RESOURCE TEAM (SART):

The following are suggestions on how the SART teams can help the Council implement their strategic efforts:

- Act as a strategic partner in regional retention and expansion efforts by providing departmental expertise and technical assistance as well as collaboration
- Aid in structuring business outreach initiatives;
- Provide trend data/cluster analysis
- Conduct SWOTs to determine competitiveness of the area vs. other parts of NY/US/ Globally
- Set up a region-wide "Early Warning System" (based on State best practices) to identify those businesses in danger of leaving or downsizing
- Identify marketing tactics (based on state best practices) that support BREP efforts
- Identify CFA funding resources for initiation and implementation of a regional Business Retention and Expansion Program.



KEY STRATEGY #4

SMALL BUSINESS

FOSTER DEVELOPMENT OF SMALL BUSINESSES
AND ENTREPRENEURIAL ACTIVITIES.

PROGRESS:

Our first goal is to foster small business development in the region, using planning and economic development resources already available in the region and assist individual communities to become more “entrepreneurship-friendly” by developing customized, community-level economic agendas and priorities that are aligned to their specific strengths and opportunities. The diversity of the Region lends itself to a unique blend of commerce and entrepreneurship that builds upon local assets that surround individual communities. The North Country does not conform to a “one-size fits all” model and necessitates a close relationship between businesses and communities.

In 2012 the Council identified and funded 6 micro-enterprise grants aimed at adding value to businesses that built on various community assets and resources. Over the years this model of funding has enabled communities to leverage local entrepreneurial investments and build stronger community connections.

The Council also funded nearly a dozen waterfront and community asset projects that are aimed at complimenting private sector investments in communities. In addition, the Council funded four performing arts projects aimed at revitalizing and expanding the arts as a community drivers for revitalization.

In addition to 2011 CFA funds, there were numerous local planning efforts along waterfronts and Main Streets in the region that were initiated or completed this first year and will create pipeline projects for 2012 and 2013 CFA and non-CFA implementation projects.

KEY STRATEGY #4,
continued

SMALL BUSINESS, *continued*

**OBSTACLES ENCOUNTERED,
OVERCOME OR FORESEEN:**

Through public meetings and comments received in this year's planning and CFA process, the Council heard of many well deserving projects and planning efforts that were not funded in 2011. The Small Business and Community Development Work Group, together with the Tourism Work Group, responded to the comments and have proposed a revised strategy for community based projects that serve to link communities throughout the region along a network of Blueway Trails and Scenic Byways. Recognizing that many of these community driven projects will not, unto themselves, be regionally transformative but may have a lasting impact on a local community, the Work Groups proposed to elevate the Regional scoring of these projects when communities could demonstrate that the project is part of a larger, regionally connective corridor. The revised strategy for Blueways, Byways and Trailways acknowledges these important investments in community amenities that will strengthen and attract private investment around these assets.

In 2012 the Office of Community Renewal announced that it would no longer fund microenterprise grants/loans. Recognizing that there are numerous local and regional microenterprise and small business revolving loan funds, the Committee has proposed to undertake a regional inventory and assessment of existing programs and to propose a means of strengthening and supplementing these existing funds

for future microenterprise financing. For the balance of this year the committee will work with state agencies (OCR, ESD and DOS) to assess these programs and identify new funding for them.

The North Country strategic plan identified the Potsdam business incubator as a model program for start-up entrepreneurs. Through comments received this year it was found that there were other not-for-profit and private incubators in the region (e.g. Clarkson University) and the Committee has revised its actions for year two to include an assessment of these incubators and to identify ways these could be expanded or replicated in the 2013 CFA process.

In year two of the Region's strategic plan there are a number of actions for establishing a one-stop shop or Welcome Home to the North Country program aimed at attracting and retaining small business start-ups in the region. Recognizing that there are a number of technical assistance and entrepreneurial assistance centers in the region, the Committee is recommending that these efforts be streamlined into a comprehensive look at how these existing resources could be coordinated and built on to better serve the small business community. Through these revised actions, the committee hopes to develop a series of recommendations for the Council and to identify funding priorities for the 2013 CFA process.

**2012-13
PRIORITIES:**

- **CURRENT APPLICATIONS EXPANSION PROJECT:**
\$138,000 public leverages
\$555,000 private investment
This \$693,000 expansion project will add 10,200 SF to the Current Applications existing 20,000 SF facility. The additional space and new equipment will improve efficiency, expand production capacity, and allow the expansion of a new product line.
- **ADIRONDACK PARK RECREATION WEB PORTAL PROJECT:**
\$175,000 public investment
The project is designed to create a common web portal designed to both inventory and link recreational assets and retail services within the Adirondacks in an easy-to-use, interactive way for the benefit of both residents and visitors. The project envisions a means for the Adirondacks – as an area in three regions of the state – to benefit from the area's recreational and tourism activity and unmet potential.
- **AMC AND PROJECT SENTINEL:**
\$300,000 public leverages
\$978,000 private
The Adirondack Meat Company will construct and equip a 7,500 sq. ft. meat processing plant that will slaughter, process, and return packaged products to livestock suppliers. The facility will also include a retail shop for the sale of processed and packaged meat.

Under a new implementation action the Council will create one or more "Regional Support Centers for Entrepreneurs". The Council will undertake a collaborative effort with the region's Small Business Development Centers to survey and inventory their support services for small businesses and emerging entrepreneurs. The goal will be to match businesses to support services that will allow them to locate or expand in the North Country.

The Council will develop a plan for the expansion of existing business incubators and possible new incubators to focus on the transfer of technology from universities and research institutes in the region. A report will be delivered for funding consideration in the 2013 CFA round.

The Council will work with the region's Workforce Investment Boards and the Department of Labor to establish a "Welcome Home to the North Country" program to house a one-stop-shop of resources for returning entrepreneurs to the region and retaining emerging entrepreneurs from colleges and universities or new business start-ups. The project will focus on including information on housing, small business development and job placement.

KEY STRATEGY #4,
further continued**SMALL BUSINESS,** *further continued***ROLE OF THE STATE AGENCY
RESOURCE TEAM (SART):**

In advancing this key strategy and revised actions, the Small Business and Community development Committee will call on several State agencies over the next few months to help advance priorities. Specifically, the Committee will need agency help to:

- Develop the Blueways, Byways and Trailways concept – DOS, DOT, ESD, OCR, OPRHP and Tug Hill Commission.
- Design a microenterprise loan program – ESD and OCR.
- Refine its actions for business incubators serving the region – ESD, DOL, SUNY as well as the private universities in the region.
- Establish an Entrepreneurial Technical Assistance and Resource Center(s) – ESD (particularly the SBDCs), DOL, SUNY.

KEY STRATEGY #5

HIGHER EDUCATION

THE NORTH COUNTRY'S INSTITUTIONS OF HIGHER EDUCATION AND RESEARCH/DEVELOPMENT WILL REVIEW AND IMPLEMENT INCENTIVES FOR COLLABORATIVE PROJECTS, RESEARCH AND ENTREPRENEURIAL ACTIVITY AMONG AND BETWEEN THE COLLEGES AND UNIVERSITIES.

PROGRESS:

Representatives of the ten higher education institutions and two research/development institutes in the seven-county Council have met to discuss the Key Strategy originally outlined in the Council's 2011 Strategic Plan. Throughout the two meetings and subsequent email exchanges, the colleges have become more receptive to working together for the benefit of the region's residents.

The presidents (or a representative) of the ten colleges and institutes signed an agreement in July 2012 committing their support of the Council's Strategic Plan by embarking on a new collaboration focused primarily on supporting economic development in the North Country. As a result of the agreement, CITEC submitted a Consolidated Funding Application (CFA) to establish the *North Country Higher Education and Research & Development (Herd) Consortium*.

The consortium will identify areas in which higher education (public and private) and industry can collaborate and serve as a "one-stop shop" for industries and commercial enterprises in the North Country seeking services available from member institutions.

The consortium will:

- Complete a survey of the ten higher education institutions and two research/development institutes in the region to determine the area(s) of expertise that each institution offers, and then compile this into one resource database. This will help the consortium to more effectively collaborate by identifying and managing those resources available at multiple institutions.
- Undertake a secondary market survey of small businesses and industry within the region to determine assistance needed that may be provided by the colleges, universities and research facilities in the region.
- Develop a set of metrics for monitoring the effectiveness of this program to make it a sustainable resource. Seek areas of commonality and incentives for partnerships among the higher education institutions to:
- Conduct collaborative research on issues of importance to the region (environmental, alternative energy, etc.)
- Develop joint academic programs for high need professional services (for example, nurse practitioner)
- Develop joint academic programs for needed workforce training through internships and apprenticeships.

KEY STRATEGY #5,
continued

HIGHER EDUCATION, *continued*

- Find ways that communities and local businesses can work together and benefit from each other.
- Facilitate development of a region-wide internship opportunity network with the goal of increasing internships and work experience opportunities throughout the seven-county region for students among the ten colleges and universities. Area colleges could turn to the consortium to seek additional internship opportunities, nursing clinical locations needed for their students, and/or provide potential sites for internships. The NCHERDC would also explore a competitive incentive program that would provide incentives – such as living stipends – to graduates awarded internships.
- Develop a center to share and coordinate information concerning faculty members, lecturers, speakers, etc., at area colleges and universities who would speak on topics, including but not limited to performing arts (music, theater), ecotourism, expeditionary studies, and environmental issues and would work in partnership with area non-profits, community organizations, etc.
- Work with business and education partners throughout the Region to spearhead important STEM initiatives and other Cradle through Career education programs (for example, Thrive in Clinton County).
- Coordinate on-line, web-based and telenet based training programs that could be offered by the colleges and universities to support small-businesses and industries located in the Region.
- Explore opportunities to enhance the North Country workforce and population base through recruitment of university alumni (i.e., St. Lawrence University’s “Coming Home” initiative).
- Work with the colleges and universities to identify and execute shared services (i.e., purchasing, printing).
- Explore opportunities for community-based learning and inter-institutional study.

**OBSTACLES ENCOUNTERED,
OVERCOME OR FORESEEN:**

While the institutions would be responsible for some financial support of the activities of the consortium, several of the institutions would have to provide in-kind services because their budgets are either very tight or their mandates make it harder to fund such projects.

If State funding of the CFA is not provided, the member institutions will have to review what activities and services could be offered by the consortium. This could delay implementation while additional funding is sought from the institutions or other State, federal and non-profit sources.

The rural nature of the seven-county Region and distances among the institutions hinder ease of access to education by the Region’s residents compared to metro centers where several colleges can be found within a 15 mile radius (the exception would be the four colleges located in Potsdam and Canton). The distance among the colleges and business/industry is also an obstacle for colleges to provide services, interns, and faculty support for economic growth.

Differences in state, municipal and local law concerning management/oversight of colleges (SUNY, community colleges) currently make it difficult to pursue certain shared services, reduction in personnel costs, and coordination of some activities.

**2012-13
PRIORITIES:**

The member institutions are currently reviewing action items for the 2012-13 year of the strategic plan and will be meeting again to discuss establishment of the consortium and startup activities. Particular emphasis will be placed on advancing research which directly results in the transfer of technology from the academic to the economic environment of the region. In addition, the Consortium will work with business and education partners throughout the region to spearhead important STEM initiatives and other Cradle through Career education programs (example, Thrive in Clinton County).

Complete a survey of the ten universities and colleges to determine areas of expertise as well as the strategic clusters in the Region. Undertake a secondary market survey of small businesses and industries to determine services they need. Match needed services to university and college expertise.

**ROLE OF THE STATE AGENCY
RESOURCE TEAM (SART):**

It is premature to determine what NYS agencies will be called upon to assist in moving activities forward other than the State University of New York (SUNY). As the consortium is developed, other SART members may be called upon to provide additional information/support.



KEY STRATEGY #6

TOURISM

PUT IN PLACE TOOLS TO ATTRACT PRIVATE INVESTMENT IN TOURISM WHICH WILL DRIVE DEMAND TO REVITALIZE AND DIVERSIFY COMMUNITIES AND CREATE A CLIMATE THAT WILL ALLOW ENTREPRENEURS TO FLOURISH.

PROGRESS:

The 2011 CFA awarded to the Krog Corporation hotel project supported by the Clayton Local Development Corporation will lead to development of a four star 106 room destination hotel on the waterfront. In anticipation of hotel project completion, the community has seen additional tourism investments, including the opening of a miniature golf course in 2012, construction of a distillery, and the planned construction of a transient marina in concert with the hotel development.

Based on the continued need by tourism operators for access to capital, the Tourism Work Group has re-designed the Community Transformation Tourism Fund as a source of low/no interest loans for capital investment in tourism services businesses, especially destination hotels, and submitted a Priority Project and CFA request for funding in 2012.

The NCREDC recognized the essential need for tourism planning in the region by amending its Strategic Plan to include support for Blueways, Byways and Trailways implementation projects. Over the years, the region has been very active in creating management plans for Blueways, such as the Black River Blueway and Raquette River Blueway. It also has two nationally recognized Byways in the Lakes to Locks Passage and the Great Lakes Seaway Trail, and numerous other byways and trails exist.

Under the concept of "Tourism Hubs," the Tourism Work Group is also proposing that the Council take the additional step of strategically focusing potential support for tourism projects in hub communities. The strategy involves creation of a program by which communities can develop tourism master plans under a regional umbrella. The plans will identify needed investments required for competitiveness in specific markets as targeted development.

Refinements included:

- Clarification that loans are for capital development only
- Structured incentive that ties interest repayments to sales tax collections
 - Forgiveness of interest portion of loans in the amount of state sales tax collected (4%)
 - Sales tax tracking builds in a fundamental performance tracking metric
 - Loan principal to be fully repaid, maintaining revolving fund
- Project sponsored by the Council and managed by Adirondack Economic Development Corporation
 - AEDC manages fund and loans, performs due diligence
 - The Council evaluates and decides on loan

KEY STRATEGY #6,
continued

TOURISM, *continued*

**OBSTACLES ENCOUNTERED,
OVERCOME, OR FORESEEN:**

Statutory requirements when the State has investments in lodging development have presented some compliance challenges to the Clayton Hotel developers and extended the timeframe for working out the terms of incentives.

Implementing tourism development plans across the Region will require more community-to-community coordination than has taken place in the past. Blueways, Byways and Trailways have inherently required collaboration by multiple interests and municipalities along their routes. The Tourism Hub concept will require similar oversight from a state agency to assure plans reflect both local and Regional visions.

2012-13 PRIORITIES:

- **COMMUNITY TRANSFORMATION TOURISM FUND:**
\$2.5 million to leverage \$12.5 million
The CTTF will be a program available to tourism related business on a 5:1 basis. This fund will be a low interest loan to be repaid over ten years offering interest forgiveness if sales tax targets are met. The Adirondack Economic Development Corporation (AEDC) will administer this transformational fund.
- **THE ADIRONDACK PARK RECREATION WEB PORTAL PROJECT:**
\$175,000 public investment
The project is designed to create a common web portal designed to both inventory and link recreational assets and retail services within the Adirondacks in an easy-to-use, interactive way for the benefit of both residents and visitors. The project envisions a means for the Adirondacks – as an area in three regions of the state – to benefit from the area’s recreational and tourism activity and unmet potential.
- **STRAND RESTORATION:**
\$743,000 public leveraging
\$774,000 private
This project is Phase II of the restoration of the 1924 Strand theatre to the Strand Performing Arts Center in downtown Plattsburgh. The total restoration cost is \$3,700,000 and the project is currently 40% complete. The \$1,000,000 grant is needed to match the community fundraising effort.
- **WILD WALK:**
\$1 million in public leveraging
\$1.1 million in private and other
This project will construct an elevated walkway in a wooded section of The Wild Center’s campus, providing an exciting and informative journey to the treetops along an elevated boardwalk through five timber towers of increasing height. “Safely dangerous” elements such as a rope “spider net” and viewing platforms will enhance the visitor experience along the way. The structure will be used as a teaching platform for natural science education as well as an outdoor recreational attraction.
- **RECYCLED RECREATION AND THE LACROSSE FIELD OF DREAMS IN NORTH ELBA:**
\$463,500 in public leveraging
\$473,500 in private
The project will allow the Town of North Elba and the Village of Saranac Lake to redevelop their reclaimed landfill as several multi-purpose recreational fields. The Region hosts several Olympic training and development programs and there is an outstanding need to provide additional training venues for both Olympic athlete development and recreational users alike. National and international lacrosse and rugby tournaments are staged in the Region annually and additional field space would allow for expansion of the existing tournaments and bidding for additional national and international tournaments which will expand sports tourism and increase economic activity.
- **RAQUETTE RIVER BLUEWAY TRAIL CORRIDOR:**
\$143,600 in public leveraging
\$143,600 in private
Advance goals and key projects of the Raquette River Blueway Trail Plan, including: construction of the Village of Potsdam Raquette Riverwalk; development of an oral history of hydro dam builders in the 1950s; installation of 15 informational kiosks along the Blueway; and construction of handicapped access at the Colton Information Center.
- **HEART LAKE PROGRAM CENTER:**
\$262,969 in public leveraging
\$87,656 in private
The Adirondack Mountain Club (ADK), which has nearly 30,000 members statewide, proposes to renovate and expand its Heart Lake Visitors center which is sited at the most visited trailheads in the Adirondack Park. The renovation and expansion will improve visitor experiences, the opportunity to camp at this location and ADKs retailing operations.
- **TOURISM HUB COMMUNITY CRITERIA:**
Working with ESD and DOS to develop criteria for the designation of Tourism Hub Communities and repurposing existing planning dollars (e.g. EPF) to help Tourism Hub Communities strategically plan for investments.

KEY STRATEGY #6,
further continued

TOURISM, *further continued*

- **BLACK RIVER AND MAPLE TRADITIONS SCENIC BYWAYS LEGISLATION:**
Enacting the legislation necessary to amend and designate the Black River Trail Scenic Byway and Maple Traditions Scenic Byways in Oneida, Lewis, Jefferson and St. Lawrence Counties.
- **PATH THROUGH HISTORY:**
Working with OPRHP and NCREDC, this Work Group will focus on the development of a program for the coming year that will involve planning and marketing efforts for this new Regional initiative.

ROLE OF THE STATE AGENCY RESPONSE TEAM (SART):

Capital investments in tourism developments will continue to need shepherding from multiple agencies with appropriate expertise. Unlike in many states and provinces, New York does not have programs specifically focused on tourism development and investment. It does have many programs that are related to tourism (main streets, parks, historic preservation, environmental conservation, transportation, marketing, etc.) which can assist the Region in moving forward.

Specifically, the Tourism Hub program will need assistance from SART in the development of Tourism Hub criteria.

KEY STRATEGY #7

AGRICULTURE

MAINTAIN, ESTABLISH AND EXPAND THE PRESENCE OF STORAGE, PROCESSING AND DISTRIBUTION FACILITIES IN THE REGION TO PROMOTE THE SALES OF VALUE-ADDED AGRICULTURAL PRODUCTS THAT ARE SOLD LOCALLY AND GLOBALLY.

PROGRESS IN 2012:

A Priority Project was approved in our 2011 plan to allow the investment of funds in a mobile poultry processing unit. This project has advanced and complemented efforts to establish, retain and expand value-added production facilities throughout the North Country.

Currently there is no USDA-certified poultry slaughterhouse in northern upstate New York. Without such a facility, farmers are inhibited in their sales to stores, restaurants, larger institutions and on the Internet. To fill this gap, the mobile poultry processing unit, owned by North Country Pastured, was awarded \$130,000 in the 2011 CFA competition to acquire USDA-certified poultry processing equipment that would be transported to farm locations throughout St. Lawrence County and the North Country Region.

This project is moving forward in 2012 with delivery of the mobile unit expected in August. North Country Pastured is completing other preparations to be able to process at multiple locations as planned. In addition to creating and filling four new jobs to transport and operate the facility, a USDA inspector has been assigned to monitor handling and production.

At this time, the company expects to exceed its initial production goal of processing 10,000 chickens annually with just two farm operators. An additional thirty farms have expressed interest in having their poultry processed by the unit. As a result, North Country Pastured is examining the possibility of establishing Regional locations for processing purposes, and acquiring a second unit to increase its production capacity. Along with this project, a number of other value-added production activities are in process in the North Country including:

- Upstate Niagara Cooperative's investment of \$11 million to refurbish and reopen the North Lawrence Dairy plant in July, which will employ up to 80 workers and produce 15 flavors of yogurt for national foodservice and retail partners.
- Start of construction on a 48 mile, \$41 million natural gas pipeline from St. Lawrence County across northern Franklin County, serving Upstate Niagara Cooperative and securing the future of Agri-Mark/McCadams Cheese in Chauteaugay. Council members helped to piece together the financing and expedite necessary permits.
- The reallocation of \$400,000 in Priority Project funding (originally awarded to C-Speed) to an existing value-added, dairy production facility in Lewis County that will expand the company's capacity, ensure job retention for 300 employees and create 4 to 8 new jobs.

This company has over \$20 million of projects under consideration and is working with Empire State Development and local agencies for additional assistance.

- A prospective milk bottling plant in St. Lawrence County that is identified on the Council's Project Pipeline list.
- Three or four additional meat processing projects are in development throughout the North Country. The demand from farmers is increasing and the need will hopefully begin to be met by these potential facilities in Jefferson, Lewis, St. Lawrence and Essex counties. A poultry processing, USDA certified facility is close to fruition in Massena, and a livestock processing facility in Essex County is proposed to include a vocational training and education component and will be seeking CFA funding in 2012.
- The North Country currently has significant agriculture production and value added processing in maple and dairy. Our council will continue to monitor these areas and assist with projects that can enhance these products.
- A new distillery in Jefferson County has received local planning approval and expects to begin construction in 2012. This project will involve processing local grains in a distillery to produce artisan liquors. The project is expected to employ four to six people and will provide a new addition to the growing wine trail in the Lake Ontario St Lawrence Seaway area.

KEY STRATEGY #7,
continued

AGRICULTURE, continued

- Cornell Cooperative Extension staff is currently implementing the “Stronger Economies Together” initiative, a federally-funded planning process to develop and implement an economic blueprint that will advance the region’s agricultural industry through grass roots microenterprise projects. In addition, CCE is working with local producers on the concept of Food Hubs that can bring together production, processing and distribution.

OBSTACLES ENCOUNTERED, OVERCOME, OR FORESEEN:

Because of its rural character with no major city, the North Country’s border crossings historically received less attention, resources and prioritization than those in metro areas like Detroit and Buffalo. This is why the Region has carefully and consistently constructed partnerships within major national and bi-national border-related organizations and has worked persistently to create awareness and engagement on the part of its two Senators and its Congressmen, allowing us to strongly overcome past political disadvantages. We have also sustained crossborder partnerships such as the Quebec-New York Corridor Coalition to develop access and influence in Quebec and Ottawa with regard to the border and crossborder commerce.

2012-13 PRIORITIES:

- **AMC AND PROJECT SENTINEL**
\$300,000 in public leveraging
\$978,000 in private

The Adirondack Meat Company will construct and equip a 7,500 sq. ft. meat processing plant that will slaughter, process, and return packaged products to livestock suppliers. The facility will also include a retail shop for the sale of processed and packaged meat.

- **VALUE ADDED AGRICULTURE PROGRAM**
\$500,000 public leveraging
\$500,000 other

The Development Authority of the North Country is a New York State public Benefit Corporation that manages economic development and infrastructure projects in Jefferson, Lewis and St. Lawrence Counties. The Value-Added Agriculture Program is a pilot program that will make investment capital available to agricultural producers in the region to assist them with projects that increase productivity and yields on the farm, and to support non-farm businesses. Given the need for this important financing tool, all successful Value Added Agriculture programs developed in this region will be marketed by the Council and its committees to our agricultural community.

- **NORTH COUNTRY REGIONAL FOOD HUB**
\$1,619,660 public leveraging
\$1,033,340 private
United Helpers Management, Inc. will establish a 9,000 sq. ft. facility that will distribute high quality locally-grown and raised products to Regional wholesalers, restaurants, grocery stores, food co-operatives, schools, colleges, hospitals and other institutions.
- Complete a supply chain analysis of producers, processors, distributors and markets for agriculture products in the region.
- Fund a market research and feasibility study that identifies value-added production in the region.
- Offer classes and training to farmers and processors for topics on food processing guidelines and food safety.
- State Senate approval of bill S.2468 that would require State agencies such as colleges, hospitals and prisons to purchase 20% of their food supplies from New York based sources.

ROLE OF THE STATE AGENCY RESPONSE TEAM (SART):

During the 2011 CFA round, \$3 million of Agricultural Development Program funding was made available for the construction, expansion and renovation of agricultural facilities. Ineligible projects or activities under this program included feasibility and planning studies, research, and educational programs. To help remedy this, the State should closely examine the opportunity to include the Department of Ag and Market’s competitive funding sources (such as the Specialty Crop Block Grant Program) in the catalogue of CFA resources.

There is also widespread recognition in the North Country that a full analysis of processing capability for meats and other agricultural products, distribution of these products and marketing is needed. The potential for increasing the economic growth in this area is significant, but a comprehensive analysis and plan should be completed to steer the entrepreneurs. NYS Agriculture and Markets and Empire State Development should assist in completing this analysis to stimulate this potential for growth.

KEY STRATEGY #8

ENERGY EFFICIENCY

MAXIMIZE NORTH COUNTRY UTILIZATION OF ENERGY EFFICIENCY RESOURCES AND PROGRAMS TO REDUCE TOTAL HOUSING AND ENERGY COSTS.

PROGRESS IN 2012

Communities, institutions, residents and businesses across the North Country are recognizing the benefits of energy conservation and efficiency as evidenced by the number of businesses that are taking advantage of NYSERDA's energy efficiency incentive programs such as FlexTech, Industrial and Process Efficiency (33 applications were received by NYSERDA in the 2011 round of CFA applications), and the Green Jobs Green New York home energy assessment and upgrade projects that are taking place across the North Country, driven by project partners, ANCA, CITEC and Cornell Cooperative Extension of Jefferson County. Schools, municipal buildings and businesses have installed solar panels, efficient biomass heating systems replacing expensive fuel oil with much less costly and locally available biomass, and are using innovative waste treatment technologies to reduce the energy costs of waste and water management systems.

Working with NYSERDA's *Green Jobs Green New York* program, as of August 31st, 22 small business and not-for-profit program participants have completed energy assessments. Of those 22, 15 have implemented some or all the recommendations from the energy assessments. As of August 31st, 59 homeowners had signed up for the program. Of those 59, 25 have completed their energy assessments. Two are in the process of receiving their energy upgrades and 1 has completed the program. ANCA has participated in over 40 outreach

events in all Counties of the North Country, reaching an estimated 5,000 residents. Homeowners in the North Country embraced energy efficiency projects in record numbers last year. In 2011, residents completed 49 percent more projects through the NYS Energy Research and Development Authority's (NYSERDA) Home Performance with ENERGY STAR program than during 2010.

The 188 projects completed in the North Country during 2011 resulted in average annual savings of more than \$940 per participating household, which will impact the homeowners' energy bills for years to come. A recent study of 1,012 New York homeowners conducted on behalf of NYSERDA shows that 56 percent of homeowners polled plan to make home energy efficiency improvements, and 87 percent of those plan to do so within the next three years. 31 BPI certified contractors have been identified and are conducting these assessments.

In addition, the North Country Clean Energy team convened a Clean Energy Conference in June in Lake Placid. Over 250 people attended the 2-day conference which focused on Solar, Wind, Biomass, Hydro, Conservation/Efficiency, Biodigesters and access to Natural Gas through an additional pipeline into the northern part of the North Country. The conference goals were to energize the North Country's commitment to energy independence via clean energy economy; share techniques, technology



KEY STRATEGY #8,
continued

ENERGY EFFICIENCY, *continued*

and project lessons, address technical/staffing/regulatory issues, and make funding source information widely available. The 257 conference attendees included 20% researchers, 25% businesses selling clean energy technology, 31% buyers of clean energy. The conference resulted directly in generating a number of 2012 CFA applications for Clean Energy. Projects include a Keene Community Solar project and a farm-based Solar Thermal replacement for fuel oil-fired heating system.

The NYSERDA-funded North Country Cleaner Greener Communities program was launched in April of 2012 under the leadership of Essex County and all seven counties in the North Country. Adirondack North Country Association (ANCA) and Ecology & Environment (E&E) were contracted by Essex County to develop and implement the planning process across the region. ANCA has conducted outreach across the region to identify local government, business, nonprofit and academic leaders to participate in the Working Groups. Seven working groups have been formed and have met several times, focusing on Energy, Working Landscapes, Economic Development Livable Communities, Transportation, Waste Treatment and Water Treatment. Goals, indicators and projects have been created or identified for the final Sustainability Plan. The Wild Center in Tupper Lake has been contracted to do 20 case studies highlighting innovative examples of projects already happening in the North Country in each of

the working group topic areas. That case study research is already underway.

Working with NYSERDA's Energy Smart Program, there have been four outreach events to contractors. Working with NYSERDA's *Green Jobs Green New York* program, there has been one outreach event. WDI has been working closely with SUNY Canton in developing an online program. This new conceptual program is designed to reduce travel time to classes as well as lower the total cost of the program.

ROLE OF THE STATE AGENCY RESPONSE TEAM (SART):

The continued involvement and investment by NYSERDA in overseeing and providing funding streams for innovative solutions to reducing the North Country's high energy costs is imperative. It would also be beneficial for NYSERDA to work with DOL and other agencies as appropriate to address the unique small business needs and challenges in the region to remove barriers to accreditation, whether BPI or MWBE. In addition, collaboration between agencies to include improvements in energy, water, waste and transportation efficiency where appropriate in funding criteria such as housing grants, ESD capital improvements, etc. would create a more rapid transition to a highly energy efficient economy in the North Country.

OBSTACLES ENCOUNTERED, OVERCOME, OR FORESEEN:

A significant obstacle in addressing improvement in the efficiency of housing and building stock in the North Country is a lack of BPI (Building Performance Institute) accredited contractors. Many of the contractors who serve this rural part of the State are small businesses that lack the time or resources to spend in travel to training sites, underwriting the cost of training, and buying the necessary equipment (such as blower doors) that is required to meet the requirements of doing home energy assessments that are reimbursable through NYSERDA programs. A further obstacle is that in order to maintain BPI accreditation, contractors must have at least \$100,000 in contracts. For small contractors that serve the North Country's rural communities, this is a further disincentive to seek accreditation.

A second obstacle is the lack of connection between funding for infrastructure projects such as lower income housing or capital building investments and improving energy efficiency.

2012-2013 PRIORITIES:

The North Country Cleaner Greener Communities program will continue work that has been identified by the seven working groups. Goals, indicators and projects have been created or identified for the final Sustainability Plan. The Wild Center in Tupper Lake will continue development of 20 case studies highlighting innovative examples of projects already happening in the North Country including schools that are realizing huge GHG and cost savings through conversion from oil to biomass heat; innovative waste water treatment systems using biological wetlands 'technology,' high tech solutions to extending growing seasons for local farmers; net zero housing innovations, and municipal solar installations. The case studies will focus on the economic, and educational benefits as well as the impacts on reducing the Region's dependency on outside energy sources.

- Create referral program for energy retrofits from homeowner to homeowner and B2B. Encourage additional contractors, including MWBE to become BPI accredited.
- Encourage additional contractors, including MWBE's, to become certified contractors
- Support continued growth of a strong foundation of accredited contractors to encourage workers to leverage training opportunities currently in place
- Connect trainees with contractors' employers to increase employment in this sector

KEY STRATEGY #9

CLEAN ENERGY INVESTMENT

INVEST IN LARGE AND SMALL CLEAN ENERGY BUSINESSES.

PROGRESS IN 2012:

Significant investments are being made across the North Country in clean energy businesses, particularly biomass. For example, ReEnergy is making a \$34 million investment to convert an existing coal-fired power plant at Ft. Drum, Jefferson County to a 60-megawatt biomass fueled facility. The Black River Generation Facility at Ft. Drum plant is expected to open in the first quarter of 2013 and will sell renewable energy credits to NYSERDA under a multi-year agreement. They also hope to contract with the U.S. Army to provide all of Fort Drum's electricity demand, allowing the installation to meet both energy security and renewable energy goals and mandates.

As part of its business activities in the North Country, ReEnergy is seeking to source local wood fuel from managed lands subject to third-party certification, such as the Forest Stewardship Council, the Sustainable Forestry Initiative, and the American Tree Farm System. The company has launched a program to allow loggers to secure long-term agreements to provide fuel to ReEnergy while also procuring state-of-the-art wood chippers, as seen at an event held recently in Lyons Falls. At full production levels, ReEnergy expects to make ~\$25 million in annual forest residue purchases from our region's forests to fuel its facilities in Chateaugay, Lyons Falls and Ft. Drum.

In addition, in the 2011 CFA competition, Essex County was awarded \$1M on behalf of the North Country to implement Phase I of a Statewide Cleaner Greener Communities Sustainability Program. The Plan will establish a sustainability baseline including inventories of GHG emissions and energy use. It will assess sustainability indicators including economic assets, liabilities and opportunities such as transportation, land-use and natural resources. The plans long terms and short term goals will address improving energy efficiency, promoting renewable energy and reducing carbon emissions. The completed plan will inform municipal land use policies, guide both private and public resource investments in infrastructure and identify tangible actions to reduce GHG emissions.

Contracts have been signed between NYSERDA and Essex County, and between Essex County and its subcontractors ANCA and Ecology & Environment. The seven Country consortium leading this initiative (dubbed The North Country Sustainability Plan) has launched the project, established seven working groups focused on Economic Development, Energy, Working Landscapes, Waste and Water Treatment, Transportation, and Land Use/Livable Communities. Close

to 200 people have participated to date in one or two of the seven Working Groups. An initial set of indicators has been developed, and an initial set of goals established in each Working Group focus area. A list of projects is being identified to serve as case studies to demonstrate the economic, community and environmental benefits of 'going green', and a list of potential projects, including multiple clean energy business opportunities, is being identified as part of the short term implementation strategy. The Plan will be completed and submitted to NYSERDA by the end of December, 2012 and will include public input from across sectors and across the region.

Awards of NYPA low-cost hydro power through the ReCharge NY program has provided critically needed hydro power alternatives to 33 businesses and institutions in the North Country including manufacturers cited earlier in the Implementation Agenda, as well as five hospitals and two universities which are some of our largest employers in the region.

KEY STRATEGY #9, *continued*

CLEAN ENERGY INVESTMENT, *continued*

OBSTACLES ENCOUNTERED, OVERCOME, OR FORESEEN:

Absence of Community Based Virtual Net Metering program, defined as a voluntary program that provides power for multiple community members who choose to allocate production from a single meter back to their consumption (home) meters, restricts penetration of Clean Energy due to site restrictions and the lack of ability to pool individual, community, or small business resources to invest in clean energy production. Investigating opportunities for Community Based Virtual Net Metering Getting in New York State should be applicable to any renewable clean energy production and should expand market potential and business opportunity.

ROLE OF THE STATE AGENCY RESPONSE TEAM (SART):

NYSERDA's role in overseeing the Cleaner Greener planning project will continue to be important. Other agencies need to be involved in development of the CGC Plan if they are not already to ensure that agency priorities and focus areas are consistent with the final North Country Sustainability final plan. DOT, DEC, APA and Tug Hill Commission are involved in participation on some of the Working Groups already, and this is proving very helpful to the overall planning process. In addition, criteria for funding for other investments in the North Country's economy and communities should include clean energy components.

2012-2013 Priorities:

Support implementation of best practices in conversion and/or development of state-of-the-art alternative energy systems for commercial and business operations, such as:

- \$4.3 million through the federal Biomass Crop Assistance Program was invested in 2012 to plant 3,500 acres of willow biomass across the North Country. Celtic Energy Farm has applied for a 2012 CFA and was awarded Priority Project status by the Council to plant short rotation Coppice Willow on fallow farmland, leveraging the federal Crop Assistance dollars. Willow is a carbon neutral fuel for electricity generation at the ReEnergy facility at Fort Drum. Willow is an extremely efficient way to produce biomass for fuel and an excellent way to put marginal farmland to use.
- The region's largest producer of wood chips and wood pellets for thermal biomass, Curran Renewable in Massena, has applied for CFA funding in 2012 and was awarded Priority Project status by the Council. They seek to purchase a wood fire combustion chamber that would allow them to burn green wood residue for the wood pellet drying process, improving efficiency by 20%.
- International Paper in Ticonderoga is planning to invest \$70 million to convert some of its operations from fuel oil to natural gas, significantly reducing operating expenses,

reducing Greenhouse Gas Emissions by 33%, and retaining over 1200 jobs. This project has also been awarded Priority Project status by the Council.

- The Lyons Falls Mill Site redevelopment in Lewis County (Priority Project CFA awarded in 2011) is complete in preparation for the expansion of a hydroelectric plant. A private hydroelectric producer will collaborate with the Lewis County Redevelopment Corporation to implement Phase II, involving a \$30 million expansion of the existing hydro facility and the improvement of adjacent existing buildings suitable for immediate use. The buildings on site will be able to accommodate greenhouses and biofuel facilities. Phase II has been awarded Priority Project status by the Council for 2012.
- The Adirondack Museum is a regional tourism destination and education hub that draws more than 65,000 people per year to its facilities in Blue Mountain Lake. Consistent with the history it displays, the museum proposes to utilize wood as a fuel source to help mitigate the unpredictable costs of fuel oil and to create a pilot project to demonstrate how to meld a wood fueled boiler to an existing heating plant. In addition to enhancing the museum's ability to manage its fuel costs, the project also provides an opportunity to fully explore and share data about how to merge and manage multi-fueled systems for other potential institutional users in the region. It also takes advantage of

abundant and renewable local resources which creates a value added market for local wood pellet manufacturers.

- The proposed modernization project at Alcoa's Massena Operations provides the opportunity to incorporate significant environmental benefits that align with Council goals. Plans call for a multi-million dollar project to help reduce water use and air emissions and more efficiently use energy by replacing certain aluminum-making technology with newer, more efficient and more environmentally-friendly technology which will result in significant improvements in air quality and emissions, less waste generated in the aluminum-making process and a significant reduction in the amount of dust employees have to work around. Estimates are that with these installations, total emissions of greenhouse gases at the East Plant will be reduced by 73 % while the emissions of regulated, hazardous air pollutants such as total fluoride, will be reduced by 45 percent. Alcoa signed a 30-year low-cost power contract with the New York Power Authority that will provide the corporation with some of the most favorable power rates in the world. That contract requires to Alcoa to make at least \$600 million in capital improvements to its North Country plants, maintain at least 900 jobs in Massena and support the North Country Economic Development Fund to get those rates.

KEY STRATEGY #10



CANADIAN CONNECTION

OPTIMIZE FLUIDITY AT THE NORTH COUNTRY'S US - CANADIAN BORDER CROSSINGS. THE RELATIVE EASE AND PREDICTABILITY OF THE CROSSBORDER MOVEMENT OF CARS AND COMMERCIAL TRAFFIC, TRAINS, BOATS AND ENERGY TRANSMISSION IS ESSENTIAL TO A SUCCESSFUL NORTH COUNTRY ECONOMIC FUTURE. IT IS ALSO VITAL TO THE NORTH COUNTRY'S KEY ROLE AS NEW YORK'S GATEWAY WITH QUEBEC AND ONTARIO, BRINGING PROGRESS AND OPPORTUNITY TO THE ENTIRE STATE.

PROGRESS IN 2012:

Key infrastructure and policy aims were identified in collaboration with North Country Congressman Bill Owens, who Co-Chairs the Northern Border Caucus in the U.S. House, and both of our U.S. Senators.

These included the importance of long awaited infrastructure investments by the U.S. government at the Thousand Islands Bridge and by the Canadian government at the Lacolle border crossing (the Canada side of the Champlain/I-87 crossing); the need to find a resolution to the displacement of Canada Customs & Border Services (CBSA) from the island at Akwesasne by the Mohawk Council, resulting in a dysfunctional port of entry on the Cornwall side of the Massena-Cornwall bridge; and the need to obtain a firm commitment from the two national governments to create and deploy a pre-clearance system for Amtrak passengers at Montreal bound for New York, thus eliminating the 1-2 hour stoppages at the border for U.S. Customs processing.

Through collaboration with our Congressman and Senators, the two Consulates and partners such as the Can/Am B.T.A., all helping to advocate for these needs in Washington and Ottawa, the historic "Beyond the Border" agreement announced early in 2012 by President Obama and Prime Minister Harper included clear and direct commitments to each of these needs. The Thousand Island and Lacolle infra-

structure projects are specifically referenced as agreed priorities for future funding for border facilities; agreement was expressed to identify and finalize steps to allow the CBSA border operation to relocate from Cornwall on the Ontario side to Massena on the U.S. side (with a goal of reaching full agreement by the end of 2012); and the involved agencies in both countries have been directed to finalize an agreement on the Montreal Amtrak pre-clearance arrangement also by the end of 2012.

In addition, the North Country Chamber of Commerce once again coordinated a two-day advocacy visit to Washington on U.S.-Canada matters, including representatives of the Quebec and Canadian Governments that focused on North Country issues.

The Chamber also continues to represent the North Country on a special Dwell Time Task Force of U.S. Customs & Border Protection, meeting annually with CBP in Washington to monitor dwell time (actual booth time) and wait time (time in line) at our major U.S. crossings, setting goals for improvements and recommending measures to enhance fluidity. This year has seen further fluidity improvements at our major crossings, particularly at Champlain which two years ago was the slowest port for dwell time for cars but now is within average parameters and improving.

KEY STRATEGY #10,
continued

CANADIAN CONNECTION, *continued*

**OBSTACLES ENCOUNTERED,
OVERCOME, OR FORESEEN:**

Because of its rural character with no major city, the North Country's border crossings historically received less attention, resources and prioritization than those in metro areas like Detroit and Buffalo. This is why the Region has carefully and consistently constructed partnerships within major national and bi-national border-related organizations and has worked persistently to create awareness and engagement on the part of its two Senators and its Congressmen, allowing us to strongly overcome past political disadvantages. We have also sustained crossborder partnerships such as the Quebec-New York Corridor Coalition to develop access and

**2012-13
PRIORITIES:**

- Continue to work with NYS and Quebec to develop new trade, educational and energy agreements in recognition of opportunities identified this year for broadening and deepening the Quebec-New York relationship. The aim will be a 5th Quebec-New York Economic Summit in 2013, postponed from this fall due to the Quebec election and the resulting change in governments.
- Continued strong advocacy for implementation of border facility and fluidity commitments contained in the "Beyond the Border" agreement.
- Continue to monitor and assess the fluidity of all forms of traffic and commerce at the North Country's U.S.-Canadian border crossings, and advocate for policies and practices that maintain and, where possible, enhance that fluidity.
- Bring regional support to the "Capital Corridor" in its commitment to broadening and deepening the economic connections between New York and Ontario.
- Continue the successful promotion and development of Plattsburgh International Airport as "Montreal's U.S. Airport and Aerospace Park", thereby developing a level of air service and other aviation activity for the North Country which would not be possible without maximizing the crossborder angle. This will include the design of a major terminal expansion. An aerospace marketing plan targeting Canada will also be finalized and implemented for 2013.
- The North Country EB-5 Regional Center, launched in the past year by the North Country Chamber of Commerce, will continue its development and promotion as a new tool for attracting Canadian and other international investment in job creating ventures in our region.
- In partnership with New York State and others, marketing commitments in Quebec and Ontario will be continued and enhanced on both the economic development and tourism fronts.

**ROLE OF THE STATE AGENCY
RESPONSE TEAM (SART):**

The direct engagement of the Governor's Office through the Deputy for Economic Development has been crucial in sustaining crossborder communications, especially with the Quebec Government as groundwork was laid this year for fresh dialogue ahead of a planned Quebec-New York Summit. DOT has also remained an active partner in matters related to bi-national transportation, including engagement in the plans for pre-clearance of Amtrak passengers in Montreal.

KEY STRATEGY #11

BROADBAND

SUPPORT AFFORDABLE BROADBAND ACCESS
THROUGHOUT THE NORTH COUNTRY REGION

PROGRESS IN 2012:

Three broadband projects are underway in the North Country as a result of the CFA process and Empire State Development Capital Project funding. None of these projects would have been possible, much less affordable, without the Regional Economic Development Council process. All of these projects fill gaps in the broadband backbone of the North Country, helping to retain jobs, encourage entrepreneurs and inspire young people with new opportunities.

The Development Authority of the North Country is extending ten miles of fiber optic cable from its existing backbone in St. Lawrence County to the village of Rensselaer Falls and the Corning, Inc. plant. Increasing bandwidth to the plant is critical to retaining 197 executive, engineering and technical manufacturing jobs in the rural North Country. Corning maintains a global supply chain while serving customers around the world, so its requirement for bandwidth and reliability has grown exponentially. The project will be complete this year. Total Project Cost: \$350,000; Capital Fund Grant: \$250,000

Hamilton County in the center of the Adirondack Park has no access to broadband. Working with the county, Frontier Communications is upgrading switches at 11 primary

switching stations in 8 communities in Phase I of a two-phase project. The switch upgrades are critical to opening up bandwidth in these hamlets in preparation for Phase II fiber optic cable installation. Engineering was completed last spring, installation is taking place this fall and testing will be completed before the end of the year. Affected communities include Long Lake, Raquette Lake, Inlet, Blue Mountain Lake, Indian Lake, Speculator, Piseco and Wells, representing almost 90 percent of the county's population. If Phase II is funded, fiber optic cable will connect communities south to Frontier's internet hub in Gloversville. Phase I Total Project Cost: \$524,444; Capital Fund grant: \$472,000.

St. Lawrence Internet Connections (SLIC), a division of Nicholville Telephone based in Canton, filed a successful CFA that enables the company to hang 23 miles of fiber optic cable to connect Tupper Lake in Franklin County with Long Lake in Hamilton County on pre-existing poles. The project will create necessary system redundancy and is expected to be completed by the end of the year. Phase II will build fiber to the home and wireless access points in the Hamlet of Long Lake. Phase I Total project cost: \$697,700; ESD Capital Fund grant: \$595,000.

These three CFA funded projects enhance on-going telecommunications projects funded by federal sources. The Development Authority of the North Country is the recipient of federal

stimulus funds, and is extending its network east through the central and northern Adirondacks, to Plattsburgh and Elizabethtown. These two projects, costing approximately \$10 million, will support retail telecom service providers in the region. In addition, the Authority is constructing the ACTION health network, a consortium of 48 hospital and clinic locations in the eastern Adirondacks, utilizing a \$7.5 million grant from the National Telecommunications and Information Administration.

Likewise, SLIC is the recipient of two stimulus grants, and is building last mile fiber to the home in St. Lawrence and Franklin counties. Their \$35 million project will reach nearly 7,000 customers in un-served or under-served areas.

KEY STRATEGY #11,
continued

BROADBAND, continued

**OBSTACLES ENCOUNTERED,
OVERCOME OR FORESEEN:**

Populations in much of the North Country are small and widely dispersed across a huge geographic area. As a result, internet service providers have not been willing to install or upgrade infrastructure because of high up-front costs and the distant horizon for return on investment. The Council's decision to emphasize broadband as a strategy to create economic prosperity and the resulting support through ESD's Capital Fund grants have removed some of the fiscal barriers to upgrading service.

The size of the region to be served means that broadband projects will continue to need support into the foreseeable future. Last mile service will remain a challenge in those areas containing mountains, Forest Preserve lands and thin populations. The increasing demand for fiber optic cable around the country is resulting in delivery delays that cannot always be anticipated.

Because New York State recognizes broadband as a baseline service like power and water, communities with stagnant or dwindling populations can start to compete on a level playing field.

**2012-2013
PRIORITIES:**

- **HAMILTON COUNTY BROADBAND PHASE II:** This \$2.1 million project will complete the fiber backbone and will install both middle mile and last mile fiber optic facilities, and upgrade central office equipment, to provide broadband service to 8 communities in Hamilton County, which currently have no existing broadband capacity as defined by the FCC. This is the second phase of our 2011 Priority Project.
- **LONG LAKE NEXT GENERATION BROADBAND:** The project will build fiber to the home, and some wireless access points, to provide services to the Hamlet of Long Lake. The project will provide access to broadband services for more than 750 households. This project leverages the investment made in a 2011 Priority Project. Access to broadband has been identified as a fundamental community asset in the 21st century. Broadband supports business, education, healthcare, government and social function that create communities. The lack of broadband facilities in Long Lake puts residents, businesses, and institutions at a dramatic competitive disadvantage. This project will provide the infrastructure to level the playing field.

- Work to expedite and fund all North Country projects being considered for funding under newly created Connect NY program, the largest government funding of broadband initiatives since the Stimulus. These projects will bring broadband to areas of the Region with limited or no access and will bring opportunities for expanded economic growth. Among the projects being considered is DANC's revolving loan fund proposal for last mile improvements and connections, a critical aspect in developing North Country networks and systems.

**ROLE OF THE STATE AGENCY
RESPONSE TEAM (SART):**

The North Country Regional Office of Empire State Development has helped broadband projects navigate the Minority and Women-Owned Business Requirements. These are a challenge to broadband providers, who are either contractors themselves or have annual contracts in place for materials and labor as a result of a low bidder process.

The New York State Broadband Program office will be utilized as a resource for future build-out planning and statistical support.

KEY STRATEGY #12

RAIL

PRESERVE AND REHABILITATE ALL SURVIVING RAIL INFRASTRUCTURE IN THE ADIRONDACKS, INCLUDING THE ADIRONDACK RAILROAD FROM REMSEN TO LAKE PLACID.

PROGRESS IN 2012:

2012 saw remarkable progress on the rail front, including one priority project and three additional CFA funded projects, as well as significant steps forward for three other rail corridors in the Adirondacks.

2011 PRIORITY PROJECTS:

The North Country Regional Economic Development Council Strategic Plan designated the \$9.972 million rehabilitation of the Newton Falls Secondary Line from Carthage to Newton Falls through Carthage, Harrisville and Benson Mines as Priority Project. Implementation of this project has progressed as follows:

- The SLCIDA has reached and executed an agreement with Mohawk Adirondack and Northern (MA&N) to allocate ownership of the line.
- All five local taxing jurisdictions in St. Lawrence County have consented to the proposed Payment-in-Lieu-of-Taxes (PILOT) structure for the line and negotiations are well underway to secure the same consents in Lewis and Jefferson counties.
- The SLCIDA is in the final stages of negotiating its grant agreement with ESD.
- The SLCIDA has forwarded a preliminary design and phase 1 construction proposal to ESD and DOT that proposes using the staff of MA&N personnel to clear the line, make it passable, and do a complete engineering analysis prior to the winter of 2012-13.

Based on this comprehensive analysis, it is anticipated that bids will be solicited in the winter of 2012-13, with construction starting in the early spring on 2013.

In addition, the Council designated the \$2.5 million Omega Expansion Project at Bombardier in Plattsburgh, which includes a railroad infrastructure component, as a Priority Project. Bombardier has executed its grant agreement with ESD and work on the overall project has begun.

2011 CFA Successes:

Three other rail infrastructure projects were funded by ESD and DOT through the 2011 CFA round.

- ESD awarded \$9,972,000 to the St. Lawrence County IDA for restoration of the Carthage to Newton Falls rail line. This project is in the design and environmental evaluation stage and will be commenced in 2013. An operator agreement has been negotiated and reached and PILOT negotiations with affected taxing jurisdictions in Jefferson, Lewis and St. Lawrence Counties are on-going.
- DOT awarded \$200,000 to the St. Lawrence County Industrial Development Agency Local Development Corporation to rehabilitate the bridge over the Oswegatchie River and the rail spur serving the Clearwater Paper Company at Natural Dam on the Oswegatchie River, near Gouverneur. This project is in the design phase and will be commenced and completed in the summer of 2013.



KEY STRATEGY #12,
continued

RAIL, continued

- DOT also awarded \$1,637,600 to the Massena Terminal Railroad Company to rehabilitate its main line and yard tracks to safely accommodate unit trains for the ALCOA West Plant. Bridges will be put into a state of good repair, new rail, ties and ballast will be installed, and a new switch will be installed to improve the line's connection with CSX Transportation. Alcoa engineers are currently negotiating the scope of work of the project with DOT.

- The Bombardier expansion project also has a rail car test track facility that will be extended as part of the implementation of its current Priority Project.

The North Country region also made significant progress on three other rail corridors during 2012:

- The Regional Council actively assisted in obtaining approval from the federal Surface Transportation Board, with coordinated support from DOT and DEC, for the resumption of freight service on the Saratoga & North Creek Railroad line from North Creek to Tahawus. This will allow removal of valuable materials at the former titanium mine at Tahawus by rail rather than truck, will strengthen the future of this Adirondack railway, and will create jobs in an isolated area of Essex County where they are greatly needed.
- Significant, privately-funded planning progress was made toward rehabilitation of the Ad-

irondack Railroad infrastructure from Utica to Lake Placid. Creative approaches and new partnerships are currently under active discussion.

- Final negotiations are underway which will lead to a new pre-clearance process by U.S. Customs and Border Protection in Montreal for New York bound Amtrak passengers. The North Country region has actively campaigned for this and, through our Congressman and Senators, helped to secure its direct inclusion in the Beyond the Border Agreement announced this year by President Obama and Prime Minister Harper. DOT is a key partner and participant in this initiative.

**OBSTACLES ENCOUNTERED,
OVERCOME, OR FORESEEN:**

An obstacle to implementation involves the projects' extreme complexity and the difficulty that the sponsors have experienced in "fitting" them into the standard discrete project paradigms. For example, the Clearwater Paper project in Gouverneur requires that the IDA make a 40 year commitment to reimburse the State for its contribution to the project should the company quit using the railroad. Since the IDA doesn't even own the rail line (it will lease the critical parts of it) and since few companies have this kind of stability, this seems to be an inordinately complicated condition to require of the project, recognizing that these are requirements created by bonds that are financing these projects.

Further, a significant obstacle encountered in addressing the rehab of the Newton Falls Secondary Line involves the need for PILOT agreements from local taxing jurisdictions. Such PILOT agreements are difficult enough to coordinate in single communities. The Newton Falls Railroad travels through three counties and multiple towns, villages, and school districts. There has been significant negotiation among community leaders and local elected officials to craft a PILOT agreement that will be uniform for all affected jurisdictions. Future large scale regional projects involving railroad facilities may face the same challenges.

KEY STRATEGY #12,
further continued

RAIL, further continued

**2012-2013
PRIORITIES:**

Coordinating with our cross border trade efforts, focus will also be on implementation of the Beyond the Border Agreement with Canada, particularly as it applies to facilitation of business and trader travel across our border with the goal of keeping the flow of goods and people moving smoothly at key border crossings and at small and remote ports of entry. The focus for this strategy will be on the facilitation of rail transport and facilities.

Due to the complexity of rail infrastructure projects that are being implemented, as well as development efforts underway in key corridors, these critical infrastructure projects will be monitored with the express purposes of expediting implementation and development.

Obtaining the PILOT agreements in affected taxing jurisdictions will be on-going through 2012. In addition, design requirements through many of the rail segments in the Adirondack Park and through and over extensive water bodies and wetlands will require close cooperation with regulatory jurisdictions.

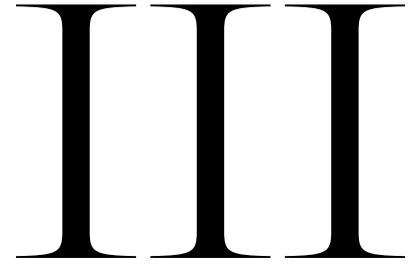
While there is a key terminus facility in Newton Falls there could be the potential for numerous rail connections and transshipments along other regional routes. As the region strengthens its rail service there will need to be site marketing and development along the routes in order to maximize the potential use.

This will also require working with numerous communities along the corridors to ensure that sites can be identified and targeted for potential rail related development.

**ROLE OF THE STATE AGENCY
RESOURCE TEAM (SART):**

The continued cooperation and assistance of members of the State Agency Resource Team will be essential in accomplishing the Regional Council's vision for the future of rail in the North Country. The expeditious review and approval of resumption of Saratoga & North Creek Railroad operations can serve as a model of how silos can be broken down and requests streamlined to facilitate essential economic development.

Continuation of DOT's role as a key partner and participant in implementation of "Beyond the Border" initiatives will also be essential to increasing cross border fluidity.



Priority Project Descriptions

Priority Project Selection Process

A DYNAMIC AND EVOLVING list of projects that will help transform the North Country Regional Economy was developed during the strategic planning process. The public participation and outreach, pipeline project management, and IDA groups were all instrumental in the identification of potential opportunities.

THE COUNCIL FORMED a seven-person Priority Project Selection Group composed of one representative from each county in the Region. This was done to ensure projects would be chosen based solely on merit. Projects are scored against objective criteria. (See Appendix 6 for a copy of the scoring matrix)

THE PROJECT SELECTION PROCESS featured a variety of efforts and tools designed to both encourage and ease prospect participation. Regionally, public outreach to inform and educate project developers about the CFA and Priority Project process was undertaken and provided throughout the Region.

ADDITIONALLY, members of the Priority Project Selection Group conducted an informational session at each of the CFA Workshops held in the North Country. The speakers described scoring criteria and gave tips for successful development of a Priority Project submission. The session in Plattsburgh was recorded by Mountain Lake Public Television and posted on the North Country Regional Economic Development Council website.

AT ALL EVENTS featuring the Council, including the Adirondack Park Agency's Local Government Day, Co-Chair speaking engagements and meetings, CFA training, and public television interview sessions, a description of the CFA process is given to help drive projects and applicants to the Regional Council process.

TO HELP EXPEDITE THE PROCESS of issuing contracts and facilitate project implementation, a comprehensive nomination form for Priority Project Status was developed. To ensure viable and transformative projects are identified, information about the scope of the project, history of the company or organization and financial capacity was requested. The form was developed in consultation with Empire State Development staff. ESD's Regional office staff created a version of the form that could be completed online, and it was posted on the NCREDC website. Submissions were collected by ESD in a dedicated email box. (See Appendix 6 for a copy of the Nomination Form)

THE DEFINITION of *Transformative/Transformational* was modified for clarity purposes and posted on the NCREDC website along with the scoring criteria (See appendix 6).

THE NEW Community Development and Tourism strategies adopted by the Council in June were posted on the site for use by applicants.

THE PRIORITY PROJECT and Plan Implementation Committee met in each County in the Region. At each of these meetings, time was allotted for funded project developers from the first round to provide a progress report. Additionally, local elected officials were given an opportunity to tell the group about issues they face and initiatives they are working on. Project developers seeking funding in round two presented information about their plans.

FIFTY-EIGHT PRIORITY project nomination forms were received by the committee. The group scored the submissions, choosing twenty-one for priority project designation. Small projects can make a BIG difference in the economy of a rural area, and several Priority Projects are requesting relatively small amounts of funding.

THE PRIORITY PROJECTS reflect the Region's sense of being able to "do what you can, with what you have, and where you are."

A SUMMARY of each Priority Project follows.



PROJECT NAME:

AMC AND PROJECT SENTINEL

APPLICANT:

ADIRONDACK MEAT COMPANY, INC. AND ESSEX COUNTY IDA

PROJECT LOCATION:

REGIONWIDE

DESCRIPTION:

The Adirondack Meat Company will construct and equip a 7,500 sq. ft. meat processing plant that will slaughter, process, and return packaged products to livestock suppliers. The facility will also include a retail shop for the sale of processed and packaged meat.

REGIONAL BENEFIT:

The Adirondack Meat Company will be the first USDA-certified livestock slaughterhouse facility in the Adirondack Park. Once established, the plant will significantly reduce distances traveled for livestock farmers to access slaughtering facilities, and help reduce the wait time of 90 to 365 days that currently exists. Based on survey responses from area livestock growers, the facility is anticipated to double the production of livestock in the Region and eliminate an existing barrier to value-added productions.

Visions Addressed

- Propagate an agricultural revolution as we help feed the Region and the world

Strategies Addressed

- Maintain, establish and expand the presence of storage, processing and distribution facilities in the Region to promote the sales of value-added agricultural products that are sold locally and globally
- Increase and expand direct marketing sales with consumers, institutions, restaurants, and grocery stores to capitalize on the Region's burgeoning local food movement

Outcomes

- Create 20 full-time jobs over five years
- Double livestock production of area farmers





PROJECT NAME:

COMMUNITY TRANSFORMATION TOURISM FUND (CTTF)

APPLICANT:

ADIRONDACK ECONOMIC DEVELOPMENT CORPORATION

PROJECT LOCATION:

REGIONWIDE

DESCRIPTION:

The CTTF will be a program available to tourism-related business on a 5:1 basis. This fund will provide low interest loans to be repaid over ten years and offer interest forgiveness if sales tax targets are met. The Adirondack Economic Development Corporation (AEDC) will administer this transformational fund.

REGIONAL BENEFIT:

Increased tourism will drive demand for services and amenities that can sustain services and amenities for small population bases. The CTTF will increase overnight visitation that will drive private investment, job creation, taxable sales, new real estate assessments and over-all quality of life services and amenities for residents. It will allow for greater success job diversity by enabling more communities to provide the services that are needed to attract new entrepreneurs.

Visions Addressed

- Catalyze the highest per capita rate of small business start-ups in the State.
- Activate tourism as a pathway to diversifying our economies.

Strategies Addressed

- Foster development of small businesses and entrepreneurial activities that add value to local resources
- Put tools in place to attract private investment in tourism which will drive demand to revitalize and diversify communities and create a climate that will allow entrepreneurs to flourish

Outcome

- 100 jobs over 3 years





PROJECT NAME:
HAMILTON COUNTY BROADBAND PHASE II

APPLICANT:
HAMILTON COUNTY

PROJECT LOCATION:
HAMILTON COUNTY

DESCRIPTION:
This project will install both middle and last mile fiber optic facilities and upgrade central office equipment to provide broadband service to several communities in Hamilton County, that currently have no broadband capacity as defined by the FCC. This is the second phase of a 2011 Priority Project.

REGIONAL BENEFIT:
Access to broadband has been identified as a fundamental community asset in the 21st century. Broadband supports business, education, healthcare, government, and social function that creates communities. The complete lack of broadband facilities in Hamilton County puts county residents, businesses and institutions at a dramatic competitive disadvantage. This project will provide infrastructure that will help level the playing field.

Visions Addressed

- Attract and nurture entrepreneurial pioneers to cultivate innovative clusters in our rural communities
- Catalyze the highest per capita rate of small business start-ups in the State
- Activate tourism as a pathway to diversifying our economies.

Strategies Addressed

- Attract and nurture entrepreneurial pioneers to cultivate innovative clusters in our rural communities
- Catalyze the highest per capita rate of small business start-ups in the State
- Activate tourism as a pathway to diversifying our economies.

Outcome

- 2 permanent jobs by Year 2
- 10 permanent jobs retained





PROJECT NAME:

WOOD FIRE COMBUSTION PRODUCTIVITY IMPROVEMENTS

APPLICANT:

CURRAN RENEWABLE

PROJECT LOCATION:

MASSENA

DESCRIPTION:

The project includes the purchase and installation of a 65 MMBtu wood fire combustion chamber at the Curran Renewal Energy LLC (CRE) manufacturing facility in Massena, NY. Installation of the chamber will enable CRE to burn green residual wood fiber to provide heat for the drying process in their wood pellet production, potentially increasing production efficiency by 20 percent.

REGIONAL BENEFIT:

CRE's wood pellet raw materials are sourced Regionally and the company employs people throughout the Region in harvesting and transporting biomass to the Massena plant. The project will make more efficient use of the Region's wood supply and minimize waste of precious resources. Much of CRE's sales are in the Region as well. The project will make it possible for CRE to compete successfully with other fuels in supplying local consumers with sustainable energy products

Visions Addressed

- Energize our micropolitan cities, building on growth in the aerospace, transit, equipment, defense, biotech, and manufacturing industries
- Attract and nurture entrepreneurial pioneers to cultivate innovative clusters in our rural communities
- Create the greenest energy economy in the State

Strategies Addressed

- Create a Business Retention and Expansion plan for existing large manufacturers
- Foster development of small businesses and entrepreneurial activities that add value to local resources
- Invest in large and small clean energy businesses

Outcome

- 10 new jobs created in harvesting, transportation and packaging by CRE and 10 by Seaway Timber (an affiliated company)





PROJECT NAME:

VALUE-ADDED AGRICULTURE PROGRAM

APPLICANT:

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY (DANC)

PROJECT LOCATION:

JEFFERSON, LEWIS AND ST. LAWRENCE COUNTIES

DESCRIPTION:

The Development Authority of the North Country is a New York State Public Benefit Corporation that manages economic development and infrastructure projects in Jefferson, Lewis and St. Lawrence Counties. The Value-Added Agriculture Program will make investment capital available to agricultural producers in the Region, to assist them with projects that increase productivity and yields on the farm, and to support non-farm businesses.

REGIONAL BENEFIT:

Jefferson, Lewis and St. Lawrence Counties lead New York State in number of cattle, number of cows milked, milk production, and acres used for hay and cow production. The Region also ranks number 1 in the State in maple syrup production, and accounts for 37% of the State's maple crop. Expanding these farm operations, and related non-farm food manufacturing operations, will dramatically enhance the economic well-being of the Region and create jobs for the future.

Vision Addressed

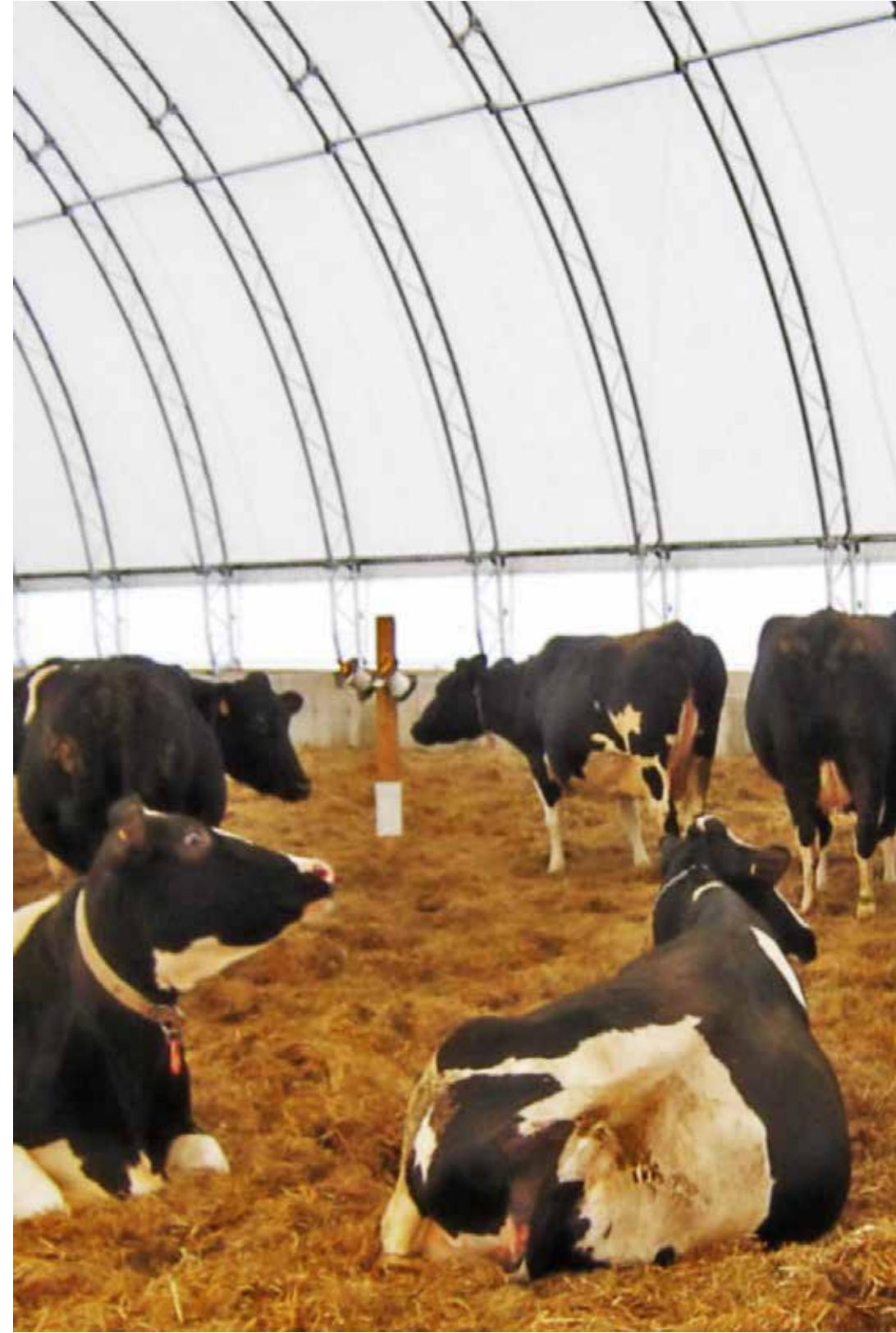
- Propagate an agricultural revolution as we help feed the Region and the world

Strategy Addressed

- Maintain, establish and expand the presence of storage, processing and distribution facilities in the Region to promote the sales of value-added agricultural products that are sold locally and globally

Outcome

- 60 new jobs





PROJECT NAME:
CREEKWOOD PHASE II

APPLICANT:
NORSTAR DEVELOPMENT USA LP

PROJECT LOCATION:
WATERTOWN

DESCRIPTION:
Nortstar builds, owns, and manages multi-family housing throughout New York State. The project will build 104 units of housing to serve low and moderate income families and military personnel in Jefferson County.

REGIONAL BENEFIT:
The project will increase the available housing stock in the market that serves Fort Drum, Jefferson County. Fort Drum contributes \$2.2 billion annually to the Regional and State economy. An adequate stock of affordably priced housing is a critical element in maintaining the current troop level, and in attracting new missions to the post.

Vision Addressed

- Energize our micropolitan cities, building on growth in the aerospace, transit equipment, defense, biotech, and manufacturing industries.

Strategy Addressed

- Address the shortage of rental housing available for soldiers and their families in the Fort Drum area and, in turn, improve the quality of housing options for the community as a whole

Outcome

- 75 construction jobs
- 104 units of new housing





PROJECT NAME:
NATURAL GAS ENERGY CONVERSION

APPLICANT:
INTERNATIONAL PAPER

PROJECT LOCATION:
TICONDEROGA

DESCRIPTION:
International Paper's Ticonderoga Mill Natural Gas Conversion project will convert the facility's power boiler, lime kiln and potentially the recovery boiler from #6 fuel oil to natural gas. These conversions will significantly reduce the mill's most significant operational cost hurdle. Additionally, greenhouse gas emissions from the facility will be reduced by nearly 33 percent.

REGIONAL BENEFIT:
The project will improve both the competitive position of the manufacturing facility for the long-term and improve the environmental emissions from the plant, which is critical in the sensitive environmental Adirondack Region. Currently the mill is the smallest and most expensive IP operation in its paper production fleet. Improving its operational efficiency is critical to maintaining employment and corporate longevity in New York State and within the Region.

Visions Addressed

- Energize our micropolitan cities, building on growth in the aerospace, transit equipment, defense, biotech, and manufacturing industries.
- Create the greenest energy economy in the State.

Strategies Addressed

- Create a Business Retention and Expansion plan for existing large manufacturers.
- Invest in large and small clean energy businesses.

Outcome

- 75 construction jobs
- 610 direct jobs retained
- 600+ jobs related to logging and trucking retained





PROJECT NAME:

THE ADIRONDACK PARK RECREATION WEB PORTAL PROJECT

APPLICANT:

ADIRONDACK ASSOCIATION OF TOWNS AND VILLAGES

PROJECT LOCATION:

REGIONWIDE

DESCRIPTION:

The project is designed to create a common web portal to inventory and link recreational assets and retail services within the Adirondacks in an easy-to-use, interactive way for the benefit of both residents and visitors. The project envisions a means for the Adirondacks – as an area in three Regions of the State – to benefit from the area’s recreational and tourism activity and unmet potential.

REGIONAL BENEFIT:

This project creates a clearinghouse of recreational activities and visitor amenities. Beyond the scope of the Region, this project is designed to benefit portions of the three Regions of the State that contain at least a portion of the Adirondack Park (the North County, Mohawk Valley and Capital Regions).

Vision Addressed

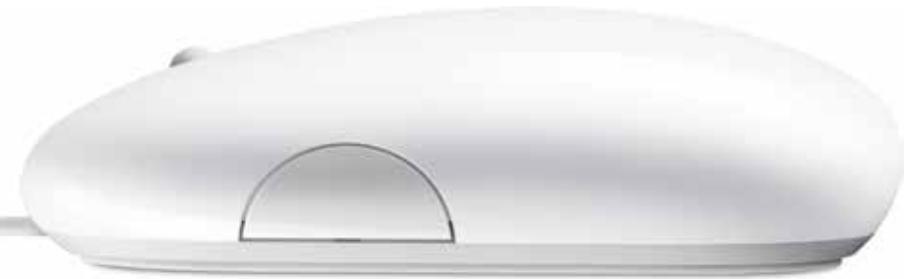
- Elevate global recognition of the Region as one of the special places on the planet to visit, live, work and study
- Catalyze the highest per capita rate of small business start-ups in the State ropagate an agricultural revolution as we help feed the Region and the world

Strategy Addressed

- Create higher value-added opportunities for Regional products and services
- Foster development of small businesses and entrepreneurial activities
- Grow the number of visitors to the Region-aintain, establish and expand the presence of storage, processing and distribution facilities in the Region to promote the sales of value-added agricultural products that are sold locally and globally

Outcome

- 2 direct jobs over 5 years





PROJECT NAME:

NORTH COUNTRY REGIONAL FOOD HUB

APPLICANT:

UNITED HELPERS MANAGEMENT CO.

PROJECT LOCATION:

CANTON

DESCRIPTION:

Establish a 9,000 sq. ft. facility that would distribute high quality locally-grown and raised products to Regional wholesalers, restaurants, grocery stores, food co-operatives, schools, colleges, hospitals and other institutions.



REGIONAL BENEFIT:

The business will establish the first food hub in the North Country that will source locally-grown and raised foods for the purposes of storing, processing, marketing, and distributing these products to a variety of wholesale customers. The facility will consist of a commercial kitchen, cooler and freezer space, areas for cheese, vegetable and meat processing, and a loading dock for shipping. The business will connect wholesale and retail consumers with local producers and expand the local food industry's access to wholesale, retail, and institutional markets.

Vision Addressed

- Propagate an agricultural revolution as we help feed the Region and the world

Strategy Addressed

- Maintain, establish and expand the presence of storage, processing and distribution facilities in the Region to promote the sales of value-added agricultural products that are sold locally and globally
- Increase and expand direct marketing sales with consumers, institutions, restaurants, and grocery stores to capitalize on the Region's burgeoning local food movement

Outcome

- Create 15 new jobs over the first three years of operation





PROJECT NAME:

CAPE VINCENT GREEN ENERGY WILLOW

APPLICANT:

CELTIC ENERGY FARM

PROJECT LOCATION:

CAPE VINCENT

DESCRIPTION:

Celtic Energy Farm will plant, grow and harvest short rotation Coppice Willow as a carbon neutral energy fuel for electricity production. The willow will be grown on a three year rotation and harvested using a self-propelled harvester with a specialized header to create a wood chip to fuel the ReEnergy power plant located on Fort Drum.

REGIONAL BENEFIT:

Conversion of the Fort Drum plant by ReEnergy was a 2011 Priority Project, and utilized \$30 million in Industrial Revenue Bonds. Celtic Energy Farm utilizes formerly fallow farmland to grow the willow, and the project is replicable across most of the seven county North Country Region.

Visions Addressed

- Create the greenest energy economy in the State
- Propagate an agricultural revolution as we help feed the Region and the world

Strategy Addressed

- Invest in large and small clean energy businesses

Outcome

- 16 full and part time jobs





PROJECT NAME:

CARTHAGE APARTMENTS

APPLICANT:

COR ROUTE 26 COMPANY, LLC

PROJECT LOCATION:

WEST CARTHAGE

DESCRIPTION:

COR builds, owns and manages commercial and residential real estate projects across New York State. The project will build 364 apartments to serve families and military personnel in Jefferson County.



REGIONAL BENEFIT:

The project will increase the available housing stock in the market that serves Fort Drum, Jefferson County. Fort Drum contributes \$2.2 billion annually to the Regional and State economy. An adequate stock of affordably priced housing is a critical element in maintaining the current troop level, and in attracting new missions to the post.

Vision Addressed

- Energize our micropolitan cities, building on growth in the aerospace, transit equipment, defense, biotech, and manufacturing industries

Strategy Addressed

- Address the shortage of rental housing available for soldiers and their families in the Fort Drum area and, in turn, improve the quality of housing options for the community as a whole

Outcome

- 100 construction jobs
- 364 units of new housing





PROJECT NAME:

CURRENT APPLICATIONS EXPANSION PROJECT

APPLICANT:

CURRENT APPLICATIONS

PROJECT LOCATION:

WATERTOWN

DESCRIPTION:

This expansion project will add 10,200 SF to the company's existing 20,000 SF facility. The additional space and new equipment will improve efficiency, expand production capacity, and allow the expansion of a new product line.

REGIONAL BENEFIT:

The company is negotiating a contract to sell its new brushless motor line to a major US company that is presently buying its motors from Europe, but wants to buy them from a US source. This will not only bring an innovative new product to market, but will retain current employment and initially create four new jobs. The project will strengthen the company's global competitiveness and keep more money in the Region (95% of the company's products are sold outside of New York State). The project will bring on-shore some processes that are currently imported.

Visions Addressed

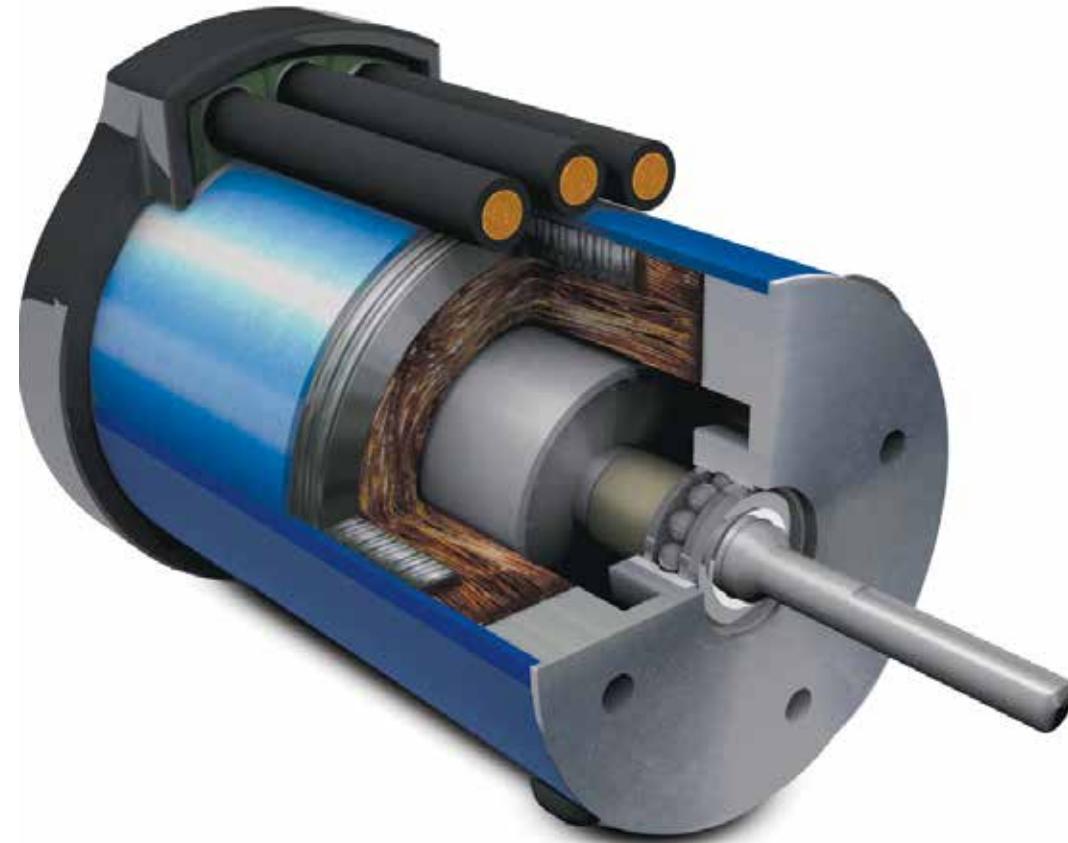
- Energize our micropolitan cities, building on growth in the aerospace, transit equipment, defense, biotech, and manufacturing industries
- Attract and nurture entrepreneurial pioneers to cultivate innovative clusters in our rural communities

Strategies Addressed

- Create a Business Retention and Expansion plan for existing large manufacturers.
- Foster development of small businesses and entrepreneurial activities

Outcomes

- 14 jobs created
- 3 jobs retained.
- Annual sales increase of approximately \$2.4 million (60% increase)





PROJECT NAME:

LYONS FALLS MILL SITE REDEVELOPMENT

APPLICANT:

LEWIS COUNTY DEVELOPMENT CORPORATION

PROJECT LOCATION:

LYONS FALLS

DESCRIPTION:

Redevelop a 9.4 acre brownfield site, which includes demolishing buildings and upgrading infrastructure to create a shovel-ready business park and allow for a \$30 million expansion of an existing hydrofacility and accommodate other sustainable energy facilities.

REGIONAL BENEFIT:

Demonstrates the adaptive reuse of an abandoned brownfield site in the North Country that will be used to increase the capacity of a locally generated sustainable energy resource; expand agricultural infrastructure; and promote biofuel production.

Visions Addressed

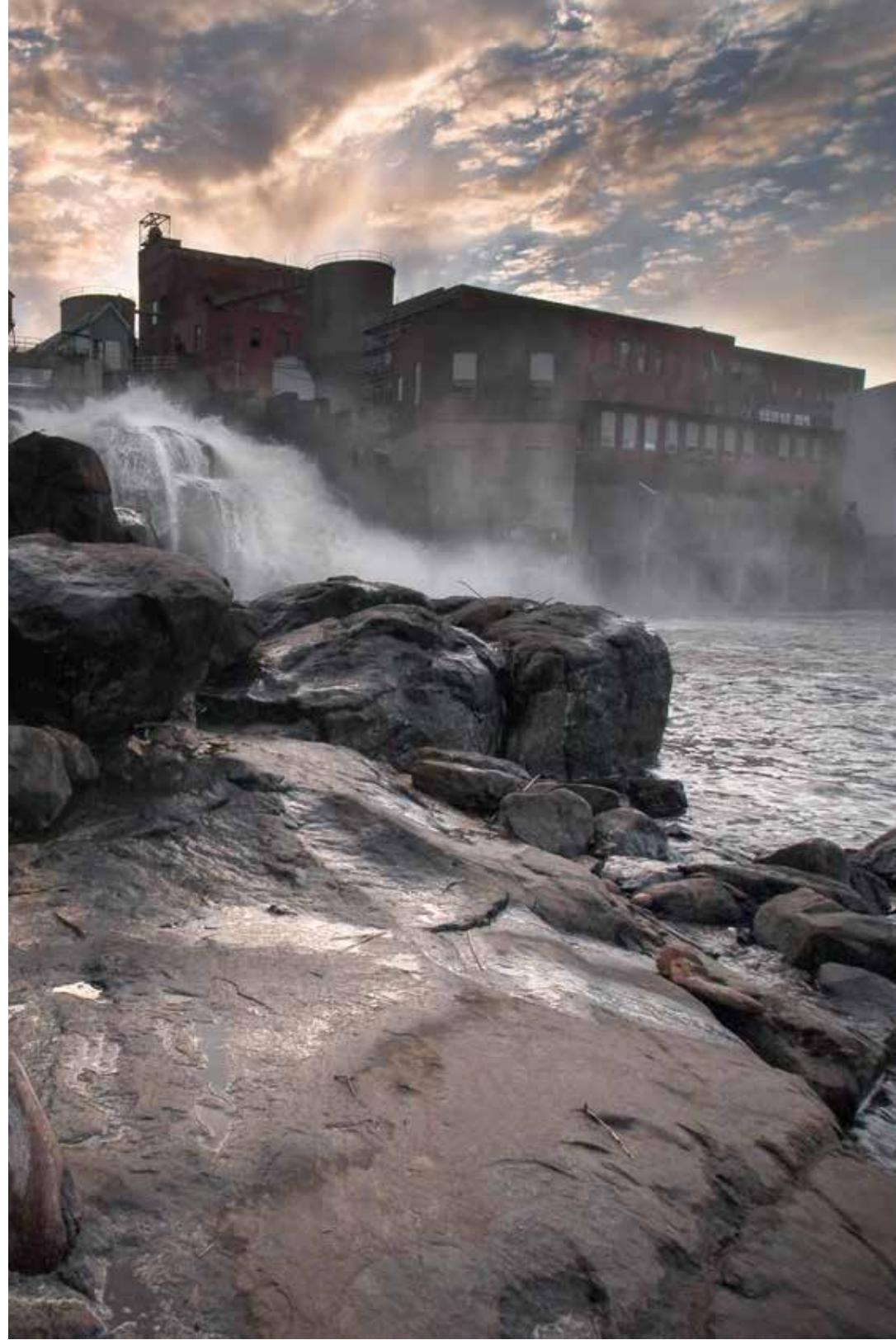
- Create the greenest energy economy in the State.
- Propagate an agricultural revolution as we help feed the Region and the world

Strategies Addressed

- Invest in large and small clean energy businesses. The project will enable private investment in biofuel production.
- Promote Smart Growth principles by encouraging adaptive reuse of existing structures and new residential construction in or near villages and hamlets.
- Strengthen the sustainability of the agricultural industry by increasing the quantity and quality of products grown and processed in the Region

Outcome

- Remediation of an abandoned brownfield site to allow a \$30 million hydro facility expansion





PROJECT NAME:

STRAND RESTORATION

APPLICANT:

NORTH COUNTRY CULTURAL CENTER FOR THE
ARTS CLINTON COUNTY

PROJECT LOCATION:

PLATTSBURGH

DESCRIPTION:

This project is Phase II of the restoration of the 1924 Strand theatre to the Strand Performing Arts Center in downtown Plattsburgh. Once complete, the theater will serve as a cultural hub for the Region. In addition to hosting a wide variety of performances, NCCCA will collaborate with the Region's schools and colleges to bring new educational programs to the North Country.

REGIONAL BENEFIT:

The Technical Assistance Center at SUNY Plattsburgh estimates that the restoration of the Strand will have an economic impact of approximately \$3,000,000 during the first full year of operation. It will be an anchor project for the revitalization of downtown Plattsburgh and add to the quality of life for residents and potential residents. The Strand will be a complete performing arts center to include music and film festivals appealing to a visitor audience as well as a local audience.

Visions Addressed

- Mobilize the creativity, capacity, and graduates of our places of higher education
- Catalyze the highest per capita rate of small business start-ups in the State
- Activate tourism as a pathway to diversifying our economies

Strategies Addressed

- Foster development of small business
- Elevate access to arts and culture
- Put in place tools to attract private tourism investment which will drive demand to revitalize and diversify communities and create a climate that will allow entrepreneurs to flourish

Outcomes

- Restores an historic downtown anchor building
- Creates an entertainment venue that draws a Regional audience that can increase local business activity and tax revenue





PROJECT NAME:

WILD WALK

APPLICANT:

THE WILD CENTER

PROJECT LOCATION:

TUPPER LAKE

DESCRIPTION:

This project will construct an elevated walkway in a wooded section of The Wild Center's campus, providing an exciting and informative journey to the treetops along an elevated boardwalk through five timber towers of increasing height. Elements such as a rope "spider net" and viewing platforms will enhance the visitor experience along the way. The structure will be used as a teaching platform for natural science education as well as an outdoor recreational attraction.



REGIONAL BENEFIT:

The Wild Center is an anchor of the Adirondack Park's tourism economy. Updating of attractions and facilities is essential for the institution to maintain this status. This project will encourage repeat visits by area residents and increase the museum's appeal to visitors from outside the Region. By increasing the tourism assets in the Adirondacks, the Wild Walk will be an economic driver and a catalyst for investment in the Region's tourism infrastructure.

Visions Addressed

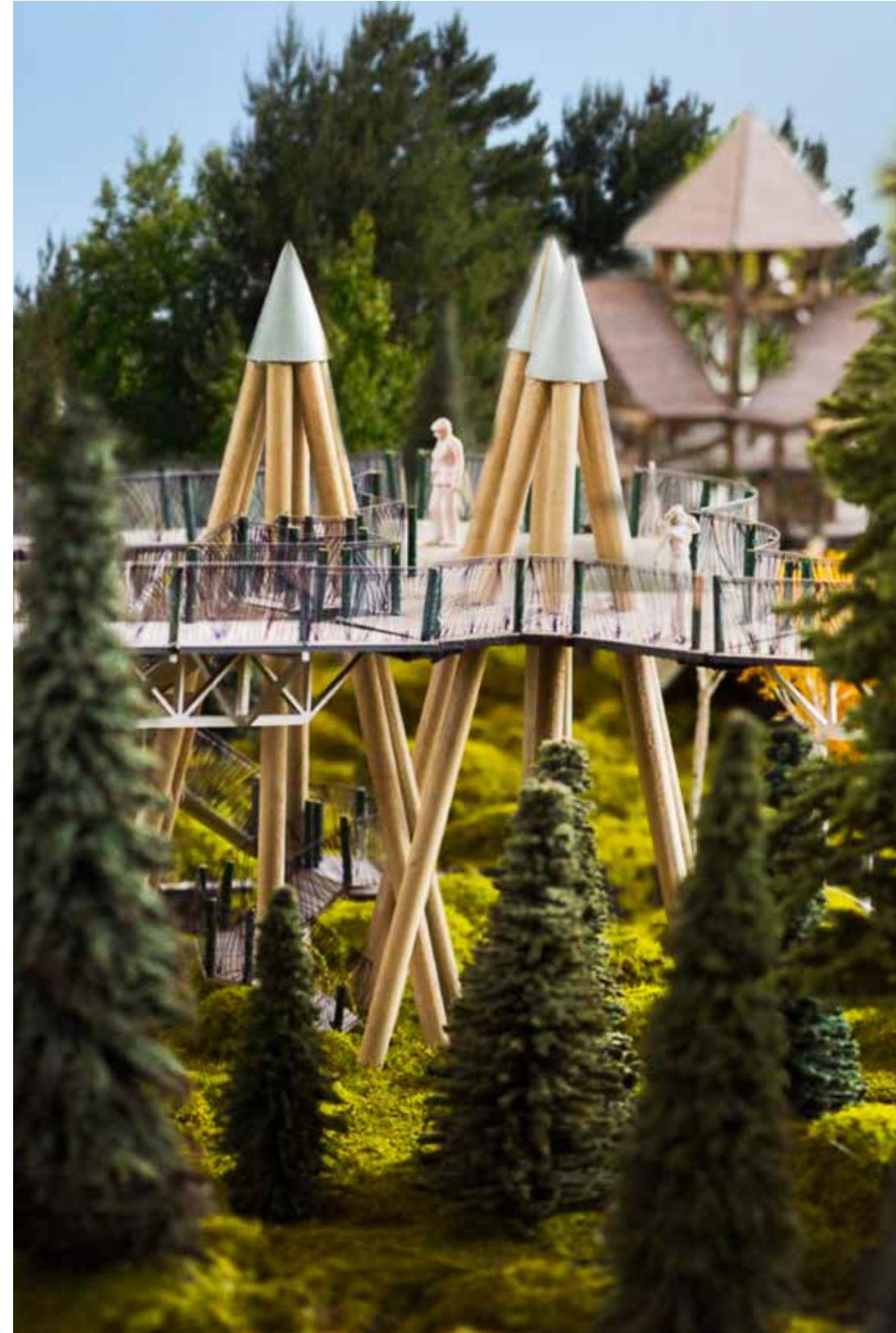
- Activate tourism as a pathway to diversifying our economies
- Elevate global recognition of the Region as one of the special places on the planet to visit, live, work and study

Strategy Addressed

- Put in place tools to attract private tourism investment which will drive demand to revitalize and diversify communities and create a climate that will allow entrepreneurs to flourish

Outcome

- 2 permanent jobs by Year 2
- 10 permanent jobs retained





PROJECT NAME:

RECYCLED RECREATION AND THE LACROSSE
FIELD OF DREAMS

APPLICANT:

TOWN OF NORTH ELBA

PROJECT LOCATION:

SARANAC LAKE AND NORTH ELBA

DESCRIPTION:

The project will allow North Elba and Saranac Lake to redevelop their reclaimed landfill as multi-purpose recreational fields. The Region hosts several Olympic training and development programs and there is an outstanding need to provide additional venues for both Olympic athlete development and recreational users. National and international lacrosse and rugby tournaments are staged in the Region annually. These fields would allow for the expansion of existing tournaments and bidding for additional national and international tournaments, which will expand sports tourism and increase economic activity.

REGIONAL BENEFIT:

The area around Lake Placid and Saranac Lake are already well- established tourism hubs that benefit from recreational opportunities. However, limitations in venue threaten the ability of the Region to continue to expand its offerings and from further capitalizing on the tourism and promotional opportunities such additional venues and capacity would create.

Visions Addressed

- Activate tourism as a pathway to diversifying our economies
- Elevate global recognition of the Region as one of the special places on the planet to visit, live, work and study

Strategies Addressed

- Put in place tools to attract private tourism investment which will drive demand to revitalize and diversify communities and create a climate that will allow entrepreneurs to flourish
- Activate tourism as a pathway to diversifying our economies
- Solicit recreational and competitive sporting events/competitions on the national and international level to leverage Regional identity, sports tourism and economic activities.

Outcome

- Increased recreational opportunities within the Region
- Increased tourism potential in the Lake Placid/Saranac lake hub area





PROJECT NAME:
WOOD PELLET BOILER SYSTEM

APPLICANT:
ADIRONDACK MUSEUM

PROJECT LOCATION:
BLUE MOUNTAIN LAKE

DESCRIPTION:
The Adirondack Museum is a Regional tourism destination and education hub that draws more than 65,000 people per year to its facilities in Blue Mountain Lake. Consistent with the history it displays, the museum proposes to utilize wood as a bio fuel source to help mitigate the unpredictable costs of fuel oil and to create a pilot project that will demonstrate how to meld a wood fueled boiler to an existing heating plant.

REGIONAL BENEFIT:
In addition to enhancing the museum's ability to manage its fuel costs, the project also provides an opportunity to fully explore and share data about how to merge and manage multi-fueled systems for other potential institutional users in the Region. It also takes advantage of abundant and renewable local resources which creates a value added market for local wood pellet manufacturers.

Visions Addressed

- Activate tourism as a pathway to diversifying our economies
- Create the Greenest Energy Economy in the State

Strategies Addressed

- Invest in large and small clean energy businesses
- Put in place tools to attract private tourism investment which will drive demand to revitalize and diversify communities and create a climate

Outcomes

- Create 3 short-term renovation/installation jobs
- Reduce energy cost by an estimated \$22,000 per year
- Lower greenhouse gas emissions





PROJECT NAME:

RAQUETTE RIVER BLUEWAY TRAIL CORRIDOR
ENHANCEMENT

APPLICANT:

VILLAGE OF POTSDAM

PROJECT LOCATION:

ST. LAWRENCE, FRANKLIN, HAMILTON COUN-
TIES

DESCRIPTION:

This project advances the goals and key projects of the Raquette River Blueway Trail Plan, including: Construction of the Village of Potsdam Raquette Riverwalk; development of an oral history of hydro dam builders in the 1950s; installation of 15 informational kiosks along the Blueway; and provision of handicap access at the Colton Information Center.

REGIONAL BENEFIT:

Access and amenity improvements will improve visitor experience along the multi-county, multi-town 174 mile Raquette River Corridor and in key North Country tourism communities and thereby leverage tourism as a driver for the North Country economy.

Visions Addressed

- Activate tourism as a pathway to diversifying our economies
- Elevate global recognition of the Region as one of the special places on the planet to visit, live, work and study

Strategies Addressed

- Develop tourism infrastructure to transform the Region by driving community development and leveraging private investment; constructs waterfront access sites and amenities for tourists
- Recognize the importance of community planning in achieving the NCREDC's vision of tourism, culture and infrastructure improvements

Outcomes

- Improved visitor experience along Blueway Corridor
- Increased visitation to the Region





PROJECT NAME:

HEART LAKE PROGRAM CENTER

APPLICANT:

ADIRONDACK MOUNTAIN CLUB

PROJECT LOCATION:

NORTH ELBA

DESCRIPTION:

The Adirondack Mountain Club (ADK), which has nearly 30,000 members State-wide, proposes to renovate and expand its Heart Lake Visitors center which is sited at the most visited trailheads in the Adirondack Park. The renovation and expansion will improve: visitor experiences, opportunity to camp at this location and ADKs retailing operations.

REGIONAL BENEFIT:

The Region largely identifies itself with the Adirondacks which embodies both a physical and geographic wonder and offers opportunities for an active lifestyle. The ADK facility at Heart Lake is the starting point for many seeking to enjoy the physical beauty of the Region and ADK is a valued educational and service partner for enhancing visitor experiences in and knowledge about the Adirondacks.

Visions Addressed

- Elevate global recognition of the Region as one of the special places on the planet to visit, live, work and study
- Activate tourism as a driver to diversify our economies
- Foster the development of small businesses and entrepreneurial activities that add value to local resources. nergy economy in the State

Strategies Addressed

- Create a Business Retention and Expansion plan for existing large manufacturers.
- Foster development of small businesses and entrepreneurial activities that add value to local resources
- Invest in large and small clean energy businesses

Outcome

- 10 new jobs created in harvesting, transportation and packaging by CRE and 10 by Seaway Timber (an affiliated company)



Photo credit Matthew Tribe

PROJECT NAME:

MUNICIPAL WATER AND WASTEWATER INFRASTRUCTURE SUPPORT FUND

APPLICANT:

NORTH COUNTRY REGIONAL ECONOMIC DEVELOPMENT COUNCIL

PROJECT LOCATION:

CLINTON, ESSEX, FRANKLIN, HAMILTON, JEFFERSON, LEWIS, AND ST. LAWRENCE COUNTIES

DESCRIPTION:

The Council will manage a fund that will support development of municipal water and wastewater infrastructure. The Infrastructure Support Fund (ISF) will be targeted to projects that have a direct and documented connection to job creation or retention. Priority will be given to projects that support Council designated Priority Projects or that otherwise directly address the Council Vision and Strategies. General system improvements or projects addressing deferred maintenance will not be considered. The ISF will provide grants for eligible projects, up to \$500,000. The grant funds must be matched by the municipality with \$5.00 for each \$1.00 from the ISF. All grants will be approved by the Regional Council.

REGIONAL BENEFIT:

Properly developed and managed water and wastewater infrastructure is one of the keys to successful economic and community development. In the 2011 Regional Strategic Planning process, the Infrastructure Work Group identified more than \$500 million in potential projects in the seven county Region. Infrastructure development is clearly a priority of the local governments in the region, yet is largely beyond the reach of most local governments due to project costs. This fund will enable the Council to assist several projects that directly advance the Council Vision and Strategies.

Visions Addressed

- Attract and nurture entrepreneurial pioneers to cultivate innovative clusters in our rural communities
- Energize our micropolitan cities, building on growth in the aerospace, transit equipment, defense, biotech and manufacturing industries

Strategy Addressed

- Put in place tools to attract private investment to revitalize and diversify communities and create a climate that will allow entrepreneurs to flourish

Outcomes

- Construction employment
- Additional or retained employment at businesses benefitting from the municipal project



CONTINUING PRIORITIES	
<i>Trudeau Institute</i>	1
<i>Cleaner Greener Communities</i>	2
<i>North Country / Adirondack Product Branding</i>	3
<i>Kraft Foods</i>	4
<i>Bombardier</i>	5
<i>Nova Bus</i>	6
<i>Newton Falls Rail</i>	7

OTHER REGIONAL PRIORITIES	
<i>Adirondack Club & Resort</i>	1
<i>Alcoa Modernization Project</i>	2
<i>DANC Telecommunications Loan Fund</i>	3
<i>Homeward Bound</i>	4
<i>Inn on Schroon Lake</i>	5
<i>North Country Empire STEM Hub</i>	6
<i>North Country Higher Education R&D Consortium</i>	7
<i>North Country Movie Theaters</i>	8
<i>Plattsburgh International Airport Expansion</i>	9
<i>Rivermede Farm Solar Thermal Greenhouses</i>	10
<i>Water & Sewer Infrastructure</i>	11
<i>Whiteface Veteran's Memorial Highway</i>	12

BROADBAND PROJECTS	
<i>Hamilton County Broadband</i>	1
<i>Long Lake Next Generation Broadband</i>	2
<i>Schroon Lake Broadband</i>	3
<i>Belmont North Next Generation Broadband</i>	4
<i>Belmont South Next Generation Broadband</i>	5