

Jefferson County, New York Comprehensive Economic Development Strategy

A "Blueprint" for Local Action



2006

Jefferson County
Comprehensive Economic Development Strategy (CEDS) Committee



**Jefferson County
Comprehensive Economic Development Strategy (CEDS) Committee**

2005 and 2006 Members

George Yarnall, Chairperson, Agribusiness
Douglas Schelleng, Vice-Chairperson, Empire State Development
Bruce Armstrong, Secretary, Jefferson County Department of Planning
Frank Cean, Knowlton Specialty Paper
Lorraine Clement, Jefferson Physician Organization
Eric Constance, Small Business Development Center
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Karen Delmonico, Greater Watertown Chamber of Commerce
Martin DelSignore, Jefferson County Employment and Training
Gary DeYoung, Thousand Islands International Council
James Fayle, Jefferson County Job Development Corporation
Jayn Graves, United Way
George Intschert, Retired Trade Union Representative
Robert Juravich, Development Authority of the North Country
Ken Mix, City of Watertown
Lynn Murray, Agriculture
Michelle Pfaff, Community Bank, NA
Philip Reed\Scott Gray, Jefferson County Legislature
Lisa Weber, Timeless Frames, Inc.
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Jefferson County
 Comprehensive Economic Development Strategy (CEDS) Strategy
 2006 Update

Table of Contents

Executive Summary	1
I. CEDS Committee and Plan Update Process	6
A. Background and History.....	6
B. Membership.....	7
C. Summary of Plan Update Process.....	8
II. Inventory of Development Programs and Assistance	10
A. Organizational Structure.....	10
B. Community Tools for Economic Development.....	14
III. Highlights of Community and Economic Profile Companion Document	17
IV. Economic Assessment	25
A. Emerging Trends.....	25
B. Key Issues and Industries.....	28
1. Entrepreneurship.....	29
2. Fort Drum Expansion.....	32
3. Workforce Development.....	34
4. General Issues.....	35
V. Economic Development Goals and Strategies	37
A. "End-state" Results.....	37
B. Priority CEDS Goals and Strategies.....	39
C. Complete List of CEDS Goals and Strategies.....	44
1. Fort Drum Growth.....	44
2. Workforce Development.....	46
3. Entrepreneurial Opportunities.....	49
4. Economic Resources and Community Infrastructure.....	51
Telecommunication Infrastructure.....	51
Industrial Real Estate, Transportation, Tourism and Recreation Infrastructure.....	52
Agriculture Real Estate and Infrastructure.....	55
Alternative Energy Development.....	56
Public and Private Business Development Financing.....	57
Downtown Revitalization.....	58
5. Government Services and Efficiency.....	59
VI. Evaluation Process	62

**Jefferson County
Comprehensive Economic Development Strategy (CEDS) Committee
2006 Plan Update**

Executive Summary

Background

Jefferson County is facing rapid changes to the structure and characteristics of its economy. Many changes are global and regional in scope, yet many opportunities exist for proactive local initiatives that can help strengthen and diversify our employment and business environment. This is especially true if the community and local businesses are able to embrace rapid technological advances and fundamental shifts in global market and labor forces. Our community can also become better positioned for the future if it utilizes the 3rd Brigade transformation at Fort Drum as a catalyst to strengthen and support military and non-military related private sector business growth.

The Comprehensive Economic Development Strategy (CEDS) Committee was created by the Jefferson County Board of Legislators in 1990 as a prerequisite to access economic development funding from the Economic Development Administration of the U.S. Department of Commerce. It is comprised of a broad cross section of community representatives.

The CEDS Committee has created this Plan Update that will not only satisfy Federal economic development assistance requirements, but will provide a blueprint for County-wide economic development planning and action in light of our dynamic economy. As the County's lead economic development agency, the Jefferson County Job Development Corporation (JCJDC) is a committed sponsor of this process and will be using the results to guide its programming.

The CEDS Committee believes that the responsibility and leadership for pursuit of improved economic development conditions in the County extends far beyond traditional economic development bodies. Local businesses, educational institutions, labor organizations, and residents will be well served by becoming increasingly cognizant of the fundamental shifts occurring in the global, regional, and local economies. Such awareness will allow the community to continually adjust its economic base in light of changing patterns - and create new opportunities for a more secure and prosperous future.

Creation of this 2006 Update has been a collaborative process on the part of CEDS members and many business and community representatives. The final product represents several months of work sessions to analyze emerging trends in our local economy and to identify opportunities we have at the local level to create an improved climate for business and community development.

The Plan Update inventories the economic development efforts and tools available to help achieve current economic development objectives. The Update also highlights the 2006

Jefferson County Community and Economic Development Profile - a companion document which presents a wealth of information about the County's economic base.

Economic Assessment

The Plan Update identifies and describes five emerging trends (Globalization, Aging Populations and Healthcare, the Fort Drum Expansion, Government Services and Tax Revenues, and Entrepreneurship Growth) that will continue to significantly influence the community's approach to economic development. With these trends recognized, the Plan goes on to identify opportunities in Manufacturing, Agriculture, and Tourism that are critical to the County's future economic development and can be positively influenced by local initiatives.

Next, these three industries are assessed in relation to the key development issues of Entrepreneurship, the Fort Drum Expansion, and Workforce Development. These conclusions shape the formation of more specific goals and strategies to help the County seize economic and employment opportunities that our area and region are favorably positioned to exploit.

Desired Outcomes

The CEDS Committee has identified a series of "End-State" economic development results that represent its desired community objectives by the year 2011. These results are put forth to articulate a vision that capitalizes on community strengths and opportunities in order to create a stronger and more diversified Jefferson County economy.

The following desired outcomes establish the basis for more specific economic goals and strategies discussed later in the Plan Update. They will also be useful to measure the impact of CEDS strategies and local economic development efforts over the next several years.

General Results

The Jefferson County economy will support more numerous and higher quality job opportunities.

Jefferson County will retain and attract more college educated residents through growth in the number of knowledge-based job opportunities.

Jefferson County will be a full and contributing partner in regional redevelopment initiatives, such as the Syracuse Metropolitan Development Association's Essential New York Initiative.

Jefferson County will have a greater level of product diversification in its agriculture, manufacturing, and tourism sectors, as evidenced through niche product development and success in the global marketplace.

Jefferson County's communities will have enhanced comprehensive planning capability to address both local and regional growth and development issues.

The CEDS Plan will become the community's "go to" economic development plan that directs actions and strategies for all local groups and organizations active in economic growth and renewal.

Fort Drum Growth

Fort Drum will have an increased presence in our County - in terms of force structure, resident population, and employment and economic impact.

Local businesses and development organizations will have capitalized all possible direct and indirect economic opportunities associated with the growth of Fort Drum.

Workforce Development

The area's educational institutions will embrace their role of training the County's workforce of the future, and will offer more extensive educational offerings for the emerging job opportunities of the 21st Century.

Jefferson County will have an ample and growing supply of workers suitable for the "knowledge-based" workplace.

The County's skilled trade employers will have an ample supply of workers to sustain and grow job opportunities.

Entrepreneurial Opportunities

Jefferson County will have an improved entrepreneurial climate with a greater number of start-ups and established small businesses.

Economic Resources and Community Infrastructure

Jefferson County will have enhanced recreational and tourism opportunities and upgraded facilities for residents and visitors leading to substantially increased tourism revenues.

Commercial, business and recreational traffic across the Thousands Islands Bridge will flow in a timely and efficient manner so as to support a healthier bi-national tourism economy.

Jefferson County will have cutting-edge utility and telecommunications infrastructure to support economic and employment growth.

The downtowns and village centers in the County will offer residents and visitors the opportunity to experience a variety of unique and engaging cultural and commercial offerings in settings that are strongly influenced by area heritage, architectural character and the natural environment to improve and become hubs for business and tourism development.

The area's public and private finance organizations will be adequately supporting local capital needs.

The area will be aggressively developing alternative energy production opportunities to provide energy cost advantages for local businesses.

The County will be adequately served with a multi-modal transportation system that will meet the economic development needs of the community. This system will include a new limited access connector route between Interstate 81 and Fort Drum, and a County Airport facility that accommodates general and commercial aviation.

The Jefferson County area will have more efficient government at all levels and will be actively engaged in restructuring the delivery of services to attain this goal. By being more efficient, governments will control the cost of service delivery which will allow them to strategically direct their resources towards both community needs and economic growth.

Economic Development Goals and Strategies

The CEDS Committee has identified a comprehensive series of goals and strategies in five categories that should be pursued to help the community achieve its economic development vision. These categories are: Fort Drum Growth, Workforce Development, Entrepreneurial Opportunities, Economic Resources and Community Infrastructure, and Government Services and Efficiency. Over 30 goals and 100 strategies were identified through the CEDS process as having potential to help meet desired outcomes.

The Committee prioritized its list of goals and objectives by evaluating the relative value and cost of each, and identified a CEDS Committee “Lead Agent” representative that will coordinate implementation steps and be responsible for regular reporting back to the CEDS Committee on progress.

The Committee has designated the following as priority goals:

1. Establish a support network for entrepreneurs and new businesses, designed to help them grow and compete successfully.
2. Develop a comprehensive Alternative Energy Strategic Plan for the County to exploit local energy production advantages and related business opportunities.
3. Facilitate and encourage investment in public and private tourism infrastructure to achieve standards comparable to competing destinations.
4. Accommodate and enhance the quality of growth occurring with the 3rd Brigade transformation.
5. Capitalize on the growth of Fort Drum by leveraging business expansion in military\defense-related sectors and non-military sectors.
6. Retrain and reorient the workforce to take advantage of emerging service jobs and strengthen our ability to attract high technology manufacturers, while addressing wage and skill levels in the region.

A total of 31 implementing strategies for these priority goals were identified having “high value” by the Committee.

Each CEDS Lead Agent will be responsible for working with the supporting partners to identify success measures for the implementing strategies. Then, every September, the CEDS Lead Agent will report back to the CEDS Committee on the level of progress achieved in implementing the strategies. This will form the basis for the annual CEDS Report Card to be completed by the end of each year.

I.

The Comprehensive Economic Development Strategy Committee (CEDS) and Plan Update Process

A. Background and History

The Jefferson County Comprehensive Economic Development Strategy (CEDS) Committee has a 15 year history of supporting the County and local economic development agencies through economic development planning services and securing local access to Federal economic development grant funds. The CEDS Committee, originally known as the Overall Economic Development Program (OEDP) Committee, was formed by the Jefferson County Board of Supervisors in 1990.

An important goal for the County in creating the Committee was to re-establish County eligibility for Federal economic development funds through the Economic Development Administration (EDA) of the U.S. Department of Commerce. The County had been a recipient of EDA benefits during the time when the Black River - St. Lawrence Regional Planning Board was active in regional economic development and administration of EDA programs. However, the Regional Planning Board was disbanded in 1983, leaving the County without access to EDA funds.

The Jefferson County CEDS Committee was formed and continues to operate under EDA guidelines with respect to membership categories and Federal reporting requirements. Appointments to the Committee are made to include a wide range of interests, such as business, industry, finance, local government, agriculture and labor.

The Committee's original Plan put forth community strategies that could capitalize on the County's strengths and assets in pursuit of economic growth. The last major Plan Update was completed in 1999. However, portions of the Plan have been annually updated through an abbreviated review of the Plan's economic development strategies. The Committee also periodically solicits and reviews economic development projects from the community as a necessary first step in having local projects considered for funding by EDA.

Through the Committee's work, EDA has funded several projects to aid in the construction of community and industrial park infrastructure in Jefferson County. This assistance has been instrumental in the development of the Watertown Center for Business and Industry, City Center Drive Industrial Park, the Regional Fiber Optics Network, and the Jefferson County Corporate Park. In addition, the CEDS Plan leverages requests to several other governmental sources for economic and community development assistance.

The Committee's 1999 Update resulted in a comprehensive revision of the document and its recommendations. The report reflected substantial economic and business climate changes, such as technology development and employment sector shifts, that occurred over the course of the 1990's.

In 2006, the Committee has completed another major update to the Plan to provide direction for economic development activities through the remainder of the current decade. More than ever before, the County is facing rapid changes to the structure and characteristics of its economy. Many changes are global and regional in scope, yet many opportunities exist for proactive local initiatives that can help strengthen and diversify our employment and business environment. This is especially true if the community and local businesses are able to embrace rapid technological advances and fundamental shifts in global market and labor forces. Our community can also be better positioned for the future if it utilizes the 3rd Brigade transformation at Fort Drum as a catalyst to strengthen and support military and non-military related private sector business growth.

The CEDS Committee has created a revised Plan that will not only satisfy Federal requirements, but will provide a blueprint for County-wide economic and community development planning and action in light of our dynamic economy. As the County's lead economic development agency, the Jefferson County Job Development Corporation (JCJDC) is a committed sponsor of this process and will be using the results to guide its programming.

The CEDS Committee believes that the responsibility and leadership for pursuit of improved economic development conditions in the County extends far beyond traditional economic development bodies. Local businesses, educational institutions, labor organizations, and residents will be well served by becoming increasingly cognizant of the fundamental shifts occurring in the global, regional, and local economies. Such awareness will allow the community to continually adjust its economic base in light of changing patterns - and create new opportunities for a more secure and prosperous future.

B. Membership

The membership of the Jefferson County CEDS Committee is consistent with EDA guidelines and broadly represents economic development planning and business interests in the County. The following members participated in the development of the Plan:

George Yarnall, Chairperson, Agribusiness
Douglas Schelleng, Vice-Chairperson, Empire State Development
Bruce Armstrong, Secretary, Jefferson County Planning Department
Frank Cean, Knowlton Specialty Paper
Lorraine Clement, Jefferson Physicians Organization
Eric Constance, Small Business Development Center
Arlene Cronin/Jill Bettinger, Jefferson Community College
Karen Delmonico, Greater Watertown Chamber of Commerce
Martin DelSignore, Jefferson County Employment and Training
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Robert Juravich, Development Authority of the North Country
Ken Mix, City of Watertown
Lynn Murray, Agriculture
Michelle Pfaff, Community Bank, NA
Philip Reed, Jefferson County Legislator
Lisa Weber, Timeless Frames, Inc.
Jeff Wood, Westelcom, Inc

C. Summary of Plan Update Process

Creation of this 2006 Update has been a collaborative process on the part of CEDS members and many business and community representatives. The final product represents several months of work sessions to analyze emerging trends in our local economy, and to identify opportunities we have at the local level to create an improved climate for business and community development.

From the outset of this effort, the Committee strived to engage many partners to incorporate realistic assessments of our economic health and to craft new ideas. Most notably, the Center for Community Studies at Jefferson Community College, through the contributions of Greg Gardner and Joel Lalone, was instrumental in providing applied research and targeted assessments and conclusions about our economy. The Center's participation was made possible by a partnership with the Jefferson-Lewis Workforce Investment Board, which allowed the sharing of project resources allocated to the completion of the Board's State of the Workforce Report.

Through the cooperation of CEDS member Martin DelSignore and the Workforce Investment Board, the CEDS Update also incorporates many of the workforce development findings and recommendations contained in the State of the Workforce Report.

In addition to the contributions noted above, several key observations and suggestions about our economy were derived from focus group discussions for a series of strategic topics identified by the Center.

The CEDS Committee and the Jefferson County Job Development Corporation jointly sponsored a workshop entitled "Creating **Entrepreneurship** Opportunities". The purpose of the session was to hear directly from local entrepreneurs about their experience in Jefferson County, and to identify strategies to breakdown barriers and build community momentum for greater entrepreneurial success. First-hand observations were contributed by Lisa Weber of Timeless Frames and Larry Reynolds of the Wine Seller. Nearly twenty-five participants shared ideas and recommendations for improving the entrepreneurial climate in the County.

For the **Tourism** sector, CEDS member Gary DeYoung of the Thousand Islands International Council led a discussion with CEDS members and community tourism representatives to review and refresh CEDS goals and strategies related to the County's tourism sector. Utilizing economic data and indicators from several sources, including the Northern New York Travel and Tourism Research Center, the group analyzed the relative strength of our tourism economy.

Held in conjunction with the Jefferson County Agriculture Development Corporation, CEDS members participated in a **Agriculture** Economic Development Strategy discussion in 2005. Greg Gardner, Center for Community Studies, and Jay Matteson, County Agriculture Coordinator, facilitated the session to identify important agriculture trends and impacts on the local agricultural economy.

In partnership with the Jefferson County Job Development Corporation, the CEDS Committee held a **Manufacturing** roundtable in 2005. Thirty-five participants, including numerous local manufacturing representatives, discussed the threats facing the manufacturing sector, opportunities for industry stabilization and growth, and various economic development strategies and solutions that should be pursued to assist this sector.

With these findings in place, the Committee formed a series of End State Results it would like to see in place or in process by 2011 to ensure higher levels of economic prosperity and employment diversity. It developed a comprehensive list of goals and objectives that should be considered at the local level to help reach the stated results.

Finally, the Committee prioritized its list of goals and objectives by evaluating the relative value and cost of each, and identified a "lead agent" and CEDS Committee representative that will coordinate implementation steps and be responsible for regular reporting back to the CEDS Committee on progress.

II.

Inventory of Development Programs and Assistance

Jefferson County is serviced by a coordinated system of economic development resources, business incentives, and program staff. Over the past several years, the local community has worked with Federal, State and regional officials to build a comprehensive system of economic development tools to help retain and attract business investment and employment.

A. Organizational Structure

There are several organizations active in economic development programs and business development efforts in Jefferson County. These include agencies with a county-wide and local focus, organizations with regional jurisdiction, and assorted support and resource agencies at the state and federal level.

Jefferson County and Local Organizations

The economic development effort in Jefferson County is principally directed by the **Jefferson County Job Development Corporation (JCJDC)**. The JCJDC acts as an umbrella organization for all county economic development efforts. The organization has a 21 member board of directors that includes many state, regional, and local officials as well as membership from the ranks of the local business community. In addition, members of the Jefferson County Industrial Development Agency (JCIDA, described below) also serve on the JCJDC.

The JCJDC has, in effect, oversight of three economic development programs. The organization manages the affairs of the Jefferson County Industrial Development Agency and provides supervision and management oversight of the Watertown Industrial Center Local Development Corporation. The JCJDC has as its own mission the responsibility of marketing the community to businesses located both within and outside the County. Each of these programs is described in the following paragraphs:

Jefferson County Industrial Development Agency. The Jefferson County Industrial Development Agency was established in 1971 pursuant to New York State General Municipal Law. The Agency operates three revolving loan funds and also provides tax and finance incentives. These incentives include property tax, sales tax and mortgage tax abatements, and tax-exempt industrial revenue bonds.

Watertown Industrial Center Local Development Corporation. The Watertown Industrial Center Local Development Corporation operates the Watertown Center for Business and Industry, a 210,000 square foot business incubator and multi-tenant facility. The Watertown Center for Business and Industry was created out of the purchase of New York Air Brake by Knorr Bremse, a German railroad manufacturer. The WCBI provides low cost occupancy space to new and growing businesses. Currently, 19 businesses are located at the Center, which employ 180 workers.

Jefferson County Job Development Marketing Program. The Jefferson County Job Development Corporation operates an aggressive community marketing program aimed at attracting business investment to Jefferson County. This program focuses on promoting the business advantages of the County to both existing businesses that may be expanding and to businesses outside the region that may be looking for a new location. The Jefferson County Job Development Corporation marketing program utilizes a wide range of marketing tools, from advertising, to direct mail, to website promotional techniques.

The **Watertown Empire Zone Program** is a critically important component of the County's Economic development organizational structure. The local Empire Zone was created in 1994 pursuant to New York State Law. It primarily provides a series of economic development incentives for a limited number of designated properties in the City and Town of Watertown. The Zone is also providing Zone benefits to a specific set of businesses at several other locations scattered throughout the County.

Recently, New York State enabling legislation authority for the Zones has gone through several amendments. However, the goals of the Zone Program remain to stimulate the creation of new jobs and investment in the State's most economically distressed communities by offering a variety of state and local tax credits to businesses locating and expanding in the Zones, and to address specific human resource development needs of those individuals ready and able to benefit from new employment opportunities in the Zones. Specific categories of benefits include: income tax, wage, and real property credits; electricity, natural gas, and telecommunications rate reductions; sales tax refunds and exemptions for certain business purchases; and investment and Zone Capital tax credits.

The local Zone is directed by the Watertown Zone Administrative Board, and currently retains staff from Camoin Associates, P.C. to manage day to day operations of the Zone.

Agriculture and agribusiness comprise one of the most significant sectors in the County's economy. In recognition of the importance of the industry, and the unique challenges local farms and agriculture businesses face, the **Jefferson County Agriculture Local Development Corporation** assists in the retention, growth, and promotion of Jefferson County's agricultural industry.

The **Watertown Local Development Corporation** complements economic development and financing activities in the City of Watertown. The organization considers loan requests for eligible businesses situated in or having an economic impact on the City of Watertown, and assists redevelopment and business real estate projects in the community. The Corporation is instrumental in promoting use of the City Center Drive Industrial Park, a U.S. Economic Development Administration supported Industrial Park in Watertown that was sponsored by the County CEDS Committee.

The **Downtown Development Office for Watertown** The City of Watertown has a Downtown Development Specialist that focuses on economic development in Downtown Watertown and Riverfront Development. This position reports directly to the City Manager, but also works in conjunction with the Planning and Community Development Coordinator. The Downtown Development Specialist also works in concert with the Downtown Business Association, Advantage Watertown, and other groups that are active in downtown activities.

The mission of the **Economic Development Corporation of Carthage** is to provide loans in all sectors of the Carthage economy through business start-ups and expansion, creation and retention of jobs, and the reduction of blight. The **Carthage Industrial Development Corporation** works to help reduce unemployment, increase and maintain job opportunities, to carry out research and provide technical assistance for the purpose of aiding the Greater Carthage Area in the attraction and retention of industry and commercial business, and to carry out overall community development activities. The service area of the CIDC includes the Towns of Champion and Wilna, and the Villages of Carthage and West Carthage.

County Support Organizations

Listed below are other County organizations active in serving to support and complement economic development activities.

Jefferson Community College (JCC) provides educational, cultural and community development opportunities through personalized, affordable, quality education and services for the community. JCC is one of 64 campuses - and one of 30 community colleges - which comprise the State University of New York (SUNY) system. The college enjoys a reputation for excellent programs and innovative community partnerships. The College is particularly active in “contract” education services for local employers and sponsors the **Center for Community Studies**, a research, survey, and policy analysis resource for the College and the region.

Also, JCC is home to the local office of the New York State **Small Business Development Center** (SBDC). The SBDC at JCC is one of a network of higher education-based service centers, charged with assisting entrepreneurs, small business, and industry through advising, training, and research. SBDC advisors work diligently with new and established businesses to grow business income, reduce expenses, and create new employment opportunities.

The **Workplace**, located adjacent to Jefferson Community College, is a one-stop career center that provides comprehensive training and employment services for job seekers in Jefferson County. The center offers employment assessment and counseling, technology-based job search tools, occupational classroom training for specific work skills, and On-the-Job training programs. The Workplace also coordinates youth and summer employment opportunities in the community. For businesses, the center provides customized recruitment, screening, and referral of potential employees. The **Jefferson-Lewis Workforce Investment Board** provides input and oversight of the design and delivery of the workforce development system in Jefferson and Lewis Counties, and recently completed a State of the Workforce Report, which includes workforce recommendations instrumental to the CEDS Plan.

The **Jefferson County Department of Planning** has played a major role in capitalizing local Revolving Loan Funds, namely the Jefferson County Industrial Expansion, Microenterprise WCBI Leasehold Improvement Funds, through the County’s participation in the Community Development Block Grant Program. The County has secured several million dollars from economic development resources for local projects and programs, most recently through the Governor’s Office for Small Cities. Other economic development functions include CEDS Committee coordination; technical support for Fort Drum-related growth activities; and GIS mapping support for various economic development projects.

Regional Organizations:

The **Empire State Development Corporation** is the product of the consolidation of economic development agencies at the state level. Jefferson County is served by the ESDC office in Watertown which provides area businesses with a wide array of capital, infrastructure, and training programs. ESDC staff contributes to local economic development planning initiatives and is instrumental in supporting Fort Drum growth-related projects.

The **Development Authority of the North Country** was created by the New York State Legislature in 1985 and was charged with “supplying the infrastructure required by the expansion of Fort Drum, and leveraging the expansion for the economic well-being of the citizens of Jefferson, Lewis, and St. Lawrence Counties”. The Authority continues to address this mission through infrastructure projects such as the regional solid waste disposal facility in Rodman, wastewater and freshwater transmission systems servicing Fort Drum and other County communities, and housing and telecommunications projects to enhance quality of life and economic development opportunities.

The **Thousand Islands Regional Tourism Development Corporation**, doing business as the **Thousand Islands International Tourism Council**, serves the tourism promotion needs for the 1000 Islands region, including Jefferson County. The mission of the Council is the development, promotion, enhancement, and retention of the local tourism industry and its associated employment base. The Council operates a comprehensive, multi-faceted tourism marketing program, and sponsors a number of survey and research efforts that aid strategic planning for local tourism service providers and the industry at large.

The **Thousand Islands Bridge Authority** operates and maintains the Thousand Islands Bridge system that connects the Jefferson County to the Province of Ontario, Canada. The Authority is active in a number of economic development initiatives, including the 1000 Islands Bridge Feasibility Study which is examining bridge capacity needs for the next several decades.

The **Fort Drum Regional Liaison Organization** is a community-based membership organization serving to “foster effective communication, understanding and mutual support by serving as the primary point of coordination for resolution of those issues which transcend the specific interests of the military and civilian communities of the Fort Drum region”. With Fort Drum representing the largest economic force in the County, the FDRLO is active on several fronts to maintain and enhance the presence of the base and to facilitate Fort Drum-related housing and economic development opportunities for the benefit of the tri-County region.

The **NYS Tug Hill Commission** is a non-regulatory state agency charged with helping local governments, organizations, and citizens shape the future of the Tug Hill region. The Commission uses a grassroots approach to provide technical assistance and training to Tug Hill’s rural communities in the areas of land use planning, community economic development, and natural resource management.

The **Greater Watertown-North Country Chamber of Commerce** provides an extensive set of business to business advocacy and resource programs.

The **North Country Alliance** is a consortium of economic development agencies working in the six county North Country region. The activities of the NCA have been many and varied, but perhaps the most notable are its efforts to provide working capital to small businesses in the region.

B. Community Tools for Economic Development

Through the efforts of the organizations described above, Jefferson County benefits from a comprehensive framework of locally directed business development facilities and incentives to encourage improvements to our County's economic prosperity. The Jefferson County Economic and Community Profile serves as a companion document to the CEDS Plan, and describes many of the utility, transportation, and community infrastructure resources that support our economy. Included in the Profile are descriptions of the County's publicly and privately operated industrial parks and incubator facilities.

An important local tool for the encouragement of private investment and job creation is the availability of public financing programs. In conjunction with private equity and private financing, new or expanding businesses can access public financing resources in certain, defined circumstances. The chart on the following two pages illustrates the range of resources available from various sources.

Jefferson County Public Financing Programs At A Glance

Program	Uses Funded	Funding Available/Contact	Equity Required	Interest Rate & Terms	Other Criteria
North Country Alliance Regional Revolving Loan Trust Fund Development Authority of the North Country (DANC)	All sectors of the local economy are eligible to apply. Some retail businesses are eligible but must provide proof of newly created employment opportunities. Federal/State environmental clearance must be obtained.	\$25,000 - \$225,000 for fixed assets. Up to \$75,000 for working capital. Maximum of 40% of total project costs. Full collateralization is required. Michelle Capone, 315-785-2593	10% of total project costs.	Interest rates will be determined by the Board of Directors Working capital up to 5 years. Fixed assets up to 15 years.	Applications must be developed in conjunction with a NCA member organization loan packager. Business must have fewer than 100 employees. \$100.00 Application fee.
DANC Community Development Loan Fund	Manufacturing, warehousing and distribution, industrial reuse, downtown/commercial revitalization, infrastructure facilities, and selected agriculture projects	Limited to maximum of 50% of project costs. Michelle Capone, 315-785-2593	10% of total project costs.	A target rate of 6%-8%. Flexible repayment terms.	Funds can be used for real estate, machinery & equipment, and working capital Applicants are strongly advised to seek assistance from the NYS Small Business Development Center at JCC.
Jefferson County Industrial Development Agency (JCIDA) Microenterprise Revolving Loan Fund	Business owners must be income eligible or plan to create jobs that will be held by income eligible individuals.	Up to \$40,000 (including any amounts provided for technical assistance), and not to exceed 40% of total project costs, whichever is less. Jim Fayle, 315-782-5865	10% of total project costs.	60% of prime up to prime plus 1% -1.5% up to 12 years	Five or less employees including the owners. Proceeds may be used for acquisition of machinery & equipment, termed out working capital, furniture & fixtures, and real property. \$100.00 Application fee. Applicants are strongly advised to seek assistance from the NYS Small Business Development Center at JCC.
JCIDA Revolving Loan Fund	Manufacturing, but deviation for service based businesses will be addressed on a case by case basis.	\$25,000 - \$200,000 or 50% of total project costs, whichever is less. Generally \$15-20,000 loan value/job ratio. Jim Fayle, 315-782-5865	10% of the total project costs.	5.5% to 7.5% per annum, fixed. Rates determined on a project specific basis. Working capital up to 5 years. Fixed assets up to 15 years	Fixed assets, working capital & inventory. Qualified Watertown Empire Zone businesses may be eligible for a deferred interest program. Application fee \$250.00.
Watertown Economic Growth	All business sectors within the Watertown City limits are eligible to apply.	Limited to a maximum of 40% of the total project costs. Jim Fayle, 315-782-5865	10% of the total project costs.	Rates are determined on individual project basis. Working capital up to 5 years. Fixed assets up to 15 years.	Businesses located within the Watertown Empire Zone may be eligible for a deferred interest program. Application fee of 0.5% of requested loan amount required. Applicants are strongly advised to seek assistance from the NYS Small Business Development Center at JCC.

Jefferson County Public Financing Programs At A Glance

Program	Uses Funded	Funding Available/Contact	Equity Required	Interest Rate & Terms	Other Criteria
Watertown Local Development Corporation (The Trust) Revolving Loan Fund	Business must be a for-profit, private firm with a demonstrated need for financing. The project must create or retain employment and must be a net economic benefit to the City of Watertown.	Maximum of 40 % of the total project costs or 10% of total WLDC assets, whichever is lower. Don Rutherford, WLDC, 786-3494	10% to 20% of total eligible project costs.	Interest rate determined by the Board of Directors and will normally be on a fixed rate basis. Real estate – 10 to 20 years. Machinery & equipment – 7 to 10 years.	Qualified businesses located within the Watertown Empire Zone may be eligible for certain benefits. Application fee of 1 % of loan is due at time of closing. Applicants are strongly advised to seek assistance from the NYS Small Business Development Center at JCC.
Empire Zone/ Statewide Zone Capital Corporation (ZCC)	Targets projects that encourage development of new businesses, expansion of existing businesses and the development of human resources in the Zone. Businesses must be or must become a Watertown Zone Certified Business.	Generally, loans range from \$30,000 to \$300,000 and will not exceed 50% of the total project costs. Michael N'dolo, Watertown Empire Zone, 315-782-1167	Cash equity participation of at least 10% of total project costs.	Generally, loans will carry an interest rate of 5% for 1 to 3 year loans and 7% for 4 and 5 year loans. Generally the term of the loan shall not exceed three to 15 years based on project.	Application fee of \$250.00 is payable to the New York Business Development Council (NYBDC). Watertown Empire Zone Board must pass a resolution approving the proposed loan and forwards it on to NYBDC. NYBDC will work with lender to finalize loan package & underwrite loan. After underwriting process completed, NYBDC will make its recommendation to the Investment Committee for Statewide ZCC. If approval granted, closing scheduled.
Economic Development Corporation of Carthage (EDCC) Loan Fund	Provides loans to all sectors of the Greater Carthage Area economy to stimulate business development activities through start up and expansion of businesses, the creation and retention of jobs and the reduction of blight.	Loans are limited to a maximum of 40% of the total project costs, but may be increased to 60% if it will help to rectify a blighted or unsafe condition. Full collateralization is required. Lien position must be third or better. Lori Borland, 315-493-0311 or 315-493-7413	Cash equity participation must be at least 10% of the total project costs.	Generally, loans will carry a fixed interest rate of 5%. The term of the loan shall not exceed 10 years. Interest only payments for the first six months are determined on a case-by-case basis.	Application fee of \$50.00 is payable to the EDCC at the time the application is submitted. The EDCC strongly recommends and encourages applicants to obtain the assistance of the NYS Small Business Development Center at JCC.
JCIDA Industrial Revenue Bonds	As Tax-Exempt - Land, Building Renovation, New Equipment, Agency Fees. Taxable - All the above plus Used Equipment, Refinancing and Working Capital	Based on the financial strength of the business Jim Fayle, 315-782-5865		Tax Exempt issues rates and terms are negotiated. Taxable issues, market prime up to prime plus 2 points.	Company must have arrangement with lending institution. Fees at the time of closing are: <ul style="list-style-type: none"> • 2% of the amount of the bond for tax-exempt IRB's. • For taxable IRB's - 1% of the bond without a PILOT, and 2% of the amount of the bond with a PILOT. • A fee of \$500 is payable to the JCIDA when application submitted, and is refundable upon closing.

III.

Highlights from Community and Economic Profile

The 2006 Community and Economic Profile, produced by the Jefferson County Department of Planning, is considered a companion document to the CEDS Plan. It presents a summary of the County's characteristics that pertain to demographics, infrastructure, and economic conditions. Many of the assessments and conclusions formed in this Plan are based on the information contained in the Profile.

While the Profile is not included in its entirety in this document, a few selected excerpts are provided below to serve as a summary description of the County and its underlying economic conditions. Readers are referred to the full Profile for more complete information.

General Description

Jefferson County is located in the northern tier of New York State at the juncture of Lake Ontario and the St. Lawrence River. The County borders Lake Ontario and the St. Lawrence River on the west and north, respectively. To the northeast is St. Lawrence County; to the east, Lewis County; and south, Oswego County. Jefferson County is also located directly south of the Province of Ontario, Canada. The largest nearby U.S. population center is Syracuse, New York, located 70 miles to the south.

According to the U.S. Bureau of the Census, the population of Jefferson County in 2000 was 111,738. At that time the County's rate of increase had substantially leveled off from the 26% increase noted between 1980 and 1990, which was largely a result of the assignment of the U.S. Army's 10th Mountain Division (Light) at Fort Drum. The latest population estimate issued by the Census Bureau is for July, 2005. This recent estimate places the County's population at 116,384, an increase of 4,646 since the 2000 Census and represents the 8th largest percentage gain (4.2%) among all 62 Counties in New York State.

Starting in the Spring of 2004, over 6,000 additional military personnel and 6,000 military dependents began being assigned to Fort Drum as part of a 3rd Brigade transformation, which will clearly provide a dramatic increase in population by the end of 2008. Future comparisons for this recent period will likely show the County as having one of the largest population growth rates for all rural counties in the State.

The population of the County is generally well distributed among 22 towns, 20 incorporated villages, and one city. The largest population centers are the City of Watertown and the Town of LeRay. The Town of LeRay includes a portion of Fort Drum, and is the home for thousands of on-base and off-base military soldiers and dependants. The City of Watertown is centrally located, with no part of the County being over 28 miles away from the City. Major U.S. and Canadian cities, such as Buffalo, Albany, Scranton, Montreal, Toronto, and Ottawa are located within a 250-mile radius of Watertown.

Watertown is located on the Black River, which divides the County in half, east to west. Hydropower afforded by the Black River was an important attraction for settlements in the early

days of the County's development. Industries sprang up along the River, many surviving today in the Villages of Brownville, Carthage and West Carthage, along with the City of Watertown.

Utilities

Electrical service throughout the County is provided by National Grid, formerly Niagara Mohawk, with the exception of two municipally owned electric companies in Philadelphia and Theresa. Natural gas is also provided by National Grid and is available in several sections of the County, principally within the City of Watertown extending out major arterials to other population centers.

The latest advances in telecommunications technology for business and residential applications are available throughout Jefferson County. New service features and opportunities are added on a continuous basis by all major providers, including those representing land line telephone, wireless, and Internet and VoIP services. The Northern New York Open Access Telecom Network has been completed in Jefferson, Lewis and St. Lawrence Counties. This community fiber optic system includes 400 miles of fiber, bandwidth, and facilities that will be leased to telecommunications providers offering end-user services such as dial tone and Internet access.

Of the 20 villages in Jefferson County, 16 have a community wastewater facility, and 20 have some type of community water supply. The City of Watertown maintains both a water and a sewer system which underwent major upgrades in response to the new service demands of Fort Drum in the 1980's. In addition to City and village facilities, several hamlets and towns have districts that provide water and wastewater services.

Transportation

Jefferson County has an excellent network of highways. The major route through the County is Interstate 81, a four lane divided highway. Immediately north of the County, it connects to Canada's major east - west Highway 401 midway between Montreal and Toronto. To the south, Interstate 81 travels through Jefferson County and continues down the east coast to Knoxville, Tennessee. The Thousand Islands Bridge system begins at Collins Landing in the Town of Orleans, and links the United States mainland with Canada at Hill Island in the Province of Ontario.

Watertown International Airport is located five miles west of the City of Watertown on NYS Route 12F. It has two 5,000 foot runways and offers excellent highway access as well as proximity to Lake Ontario and the St. Lawrence River. The airport offers modern facilities for commercial, private, and airborne freight uses. In 2006 Jefferson County assumed ownership of the airport from the City of Watertown.

The main freight railroad line for Jefferson County is called CSXT's Montreal Secondary. This line starts near Syracuse where it connects to the national railroad system. It travels north and passes through Watertown on its way to Potsdam and Massena before it crosses into Canada at Fort Covington. The Montreal Secondary line connects to the Canadian railroad system.

Social, Recreational, and Community Resources

The social, recreational, and community resources in Jefferson County are important contributors to the area's quality of life and overall economic viability. The full Profile document describes the local resources that contribute to the social well-being of the community, provide leisure time diversions, and offer intellectual and cultural enjoyment.

Jefferson County is well known for a variety of outdoor recreation opportunities, such as: pleasure boating, fishing, camping, swimming, hiking, skiing, snowmobiling, canoeing, and kayaking. Facilities for these activities are readily available at State, County, and municipal facilities located throughout the County. There are thirteen State parks in the County that provide over 5,000 acres of recreational land.

There are also nine State forests in Jefferson County comprising 15,988 acres and seventeen County forest parcels totaling 5,490 acres. The County also contains 11 wildlife management areas that provide an additional 20,570 acres of open land for outdoor recreation.

A majority of State parkland and prime recreation sites are located in the towns and villages along the St. Lawrence Seaway and Lake Ontario. This region of the County is widely publicized, and the beauty of the Thousand Islands and the Lake Ontario shoreline, with its sandy beaches and extensive camping opportunities, are popular recreation sites for residents and tourists.

Jefferson County residents and visitors have access to all types of medical care with nearly every specialty represented. The County serves as a regional medical services center that includes three separate hospitals and a multitude of clinic-based facilities. Jefferson County is served by 47 fire departments, two of which (Ft. Drum and the City of Watertown) are staffed with full-time personnel, the remainder being all volunteer. Police service in the County is provided at three levels of government: New York State Police, the Jefferson County Sheriff's Department, and local police departments. At the local level, 17 of the 20 villages have some level of police protection. The City of Watertown has a full-time police agency. The County Sheriff's Department, headquartered in Watertown, operates the Public Safety Facility, provides road patrol service and crime investigation services.

In June, 2004, the total number of students in Jefferson County in the grades pre-K through 12 was 19,400. There were 11 public school districts and 6 non-public schools. Jefferson Community College (JCC) is a two-year academic institution located just outside the City of Watertown.

There are eight business parks in the County representing a mix of public and privately owned facilities. All are located on or near major New York State routes with close proximity to Interstate 81.

The recent military population growth has triggered substantial private housing market changes. No new on-base units are being built to accommodate the transformation growth. Hence, private market supply and demand forces have depleted existing community housing stock and driven up sale and rental costs. Both the public and private sectors are working to create new opportunities for single and multi-family housing construction and rehabilitation.

With the temporary housing shortage aside, the County typically offers a full range of housing types for military and non-military permanent and seasonal residents. For example, single family homes, townhouses, senior citizen community and assisted living centers, and garden apartments are all available in both urban and rural areas. The diversity of natural resources and local scenic areas provide a multitude of settings for controlled residential development within commuting distance of major employers and Fort Drum.

Population

The decennial population totals from the U.S. Census demonstrate that Jefferson County experienced very slow growth between 1900 and 1980. The County only grew 14.9% during that 80 year span, which represents a gain of 11,403 residents. In contrast, during the same eighty-year span, New York State experienced a growth rate of 141.6%. The only decade of population decline in Jefferson County occurred from 1970 to 1980. New York State also experienced a loss of population during this decade.

The first four years in 1980 brought little change to the slow, steady growth rate that Jefferson County had experienced for the previous eighty years. Then in 1984, the U.S. Army announced that Fort Drum, a 107,625 acre military reservation in the northeast corner of the County, would be the new home of the 10th Mountain Division (Light Infantry). The 10th Mountain Division was activated at Fort Drum in 1985. The next five years brought on-base and off-base construction of residential developments to house the increased military population. Nearly 70% of Fort Drum's population growth for its initial build-up occurred during 1987 and 1988.

As explained earlier, the U.S. Army at Fort Drum is currently undertaking a large transformation associated with the addition of a 3rd Brigade. It is anticipated that this growth will increase the number of soldiers and military dependents by approximately 12,000 by the end of 2008. As of August 2005 there were 14,728 soldiers stationed at Fort Drum with 12,585 spouses and children. This represented a sizeable increase in soldiers and dependents compared to the December 2003 pre-transformation totals of 10,729 soldiers and 10,590 family members. Since a large majority of the new military residents will choose to live in Jefferson County, the County's population will soon grow to between 120,000 to 125,000.

The population density in Jefferson County increased from 85.8 to 87.8 persons per square mile between 1990 and 2000. The highest population density in the County is 2,981 persons per square mile found in the City of Watertown. The unincorporated areas in Jefferson County have very low population densities.

The expansion of Fort Drum in the mid 1980's created a more racially diverse County. In 1980, the minority population made up only .5% of the County's population; in 1990 it was 8.8%, and in 2000 the minority population increased to 11.3%.

The education level of County residents is improving. In 1990, 76.4% of the persons over 24 years of age had a high school diploma. This increased to 82.8% in 2000. The percentage of persons in Jefferson County with at least some college education also increased from 36.6% to 46.6%, between 1990 and 2000.

Labor Force and Economic Climate

Jefferson County continues to enjoy the benefits of a relatively diversified, although evolving, local economy. Throughout much of the 20th Century, the County was well served by economic contributions from major sectors such as manufacturing, agriculture, tourism, and commerce. However, at the beginning of the 21st Century, the County finds the pace of change in its underlying sectors to be accelerating, which reinforces the need to strategically target new economic development opportunities to sustain viable economic growth. Fort Drum, and its related economic activity, has grown to become the most significant economic influence in the County. The Tourism and Agriculture sectors also remain significant economic sectors in the County. More recently, the professional and business services sector has shown significant growth. This is largely due to the success of Stream, Inc, a new 700 employee customer service center operating in downtown Watertown.

In 1998, the Fort Drum Regional Liaison Organization (FDRLO) commissioned a study to examine how Fort Drum's activity affects the tri-county (Jefferson, St. Lawrence, and Lewis) economy. Through the use of a regional economic impact model, the project produced estimates of the base's total economic impact, which includes direct, indirect, and induced impacts. The indirect and induced impacts form the basis for what are commonly referred to as "spin-off" or secondary economic impacts.

Through the use of updated inputs, the project enables periodic revisions to estimates describing the total regional economic impact of Fort Drum. A comparison of Fort Drum's economic impact between 1999 and 2005 is provided below:

Jobs - In addition to the 18,708 military and civilian jobs on base estimated at the end of 2005, the model estimates that there are 5,808 additional jobs across all economic sectors in the tri-county community due to the presence and activity of the base. Between 1999 and 2005, over 7,700 military, civilian, and "spin-off" jobs have been added to the tri-county employment base due to the growth and construction activity associated with the presence of Fort Drum. At the end of 2005, the direct and indirect jobs related to Fort Drum represented over 23 percent of the non-agriculture jobs in the three County area. Given the concentration of direct Fort Drum activity in the LeRay-Watertown area, this percentage is obviously higher in Jefferson County.

Payroll - The total military and civilian on-base payroll was \$592 million in 2005. An additional \$183 million in indirect and induced payroll was estimated to be generated off-base for tri-county workers, including employees in construction, health care, education, retail and all other categories of employment that support the region's population base. Total direct and secondary payroll increased by nearly 81 percent between 1999 and 2005.

Impact on Gross Regional Product - GRP is a measure of net economic activity actually occurring in the region. It is calculated as the value of business output in the region minus the cost of materials and services purchased from other businesses. It thus represents the value of wages plus business profits. The regional GRP impact is estimated to be \$252 million in 2005 outside of Fort Drum. Adding the \$591 million/year of wages occurring at Fort Drum yields a total GRP impact of \$843 million/year.

Impact on Gross Business Output - The total gross economic output impact of Fort Drum is estimated to be \$1.287 billion in 2005. This includes Fort Drum sales for those suppliers and businesses in the region that sell goods and services directly to the base, as well as the impact of dollars expended by Fort Drum's suppliers and personnel that are recirculated through the economy. The base's own \$869 million operating budget for 2005 (including all facets of on-base construction) is added to the total level of business sales in the region to formulate the Gross Output. The 2005 estimate is a 78 percent increase over the 1999 estimate.

Historically, the waterfront of Lake Ontario and the St. Lawrence River (including the 1000 Islands) saw the development of hotels and grand summer homes. Throughout much of the twentieth century, the County's waterfront continued to be a vacation destination and summer home, primarily for the wealthy. Today, however, the seasonal residents and tourists are a more economically diverse group.

Tourism is a critical economic component for several small communities throughout Jefferson County. While the County is more diverse than others in the North Country, many of its communities depend heavily on the seasonal increase in tourism. During the summer months, many lake and river waterfront communities expand in population, visiting tourists, and related employment as warm weather activities flourish. Such activities include recreational boating, kayaking, fishing, sightseeing, RV and tent camping, hiking, automobile day touring, ATV-ing, bicycling, horseback riding, and agri-tourism. During the winter months, snowmobiling, ice fishing and winter festivals help to sustain several communities, albeit to a lesser degree. Other snow dependent activities such as downhill skiing, cross-country skiing, snowshoeing, and dog-sledding, also provide some economic impact, however, summer month activities typically have generally higher volume.

Jefferson County is one of the State's most productive agricultural counties, generating \$99,542,000 dollars in sales in 2002 (US Dept. of Agriculture, 2002). This was a sales increase of 30% from 1997. The County is heavily concentrated in dairy, rating highly in the state for milk production, and has the third highest number of milk cows with 32,736. The County also leads the state in honey production; its 15 farms with 4,428 colonies produced 507,566 pounds in 2002.

As such a viable agriculture area, the industry naturally provides an important economic and cultural base for many Jefferson County communities. Jefferson County farms support many other local businesses such as suppliers of feed, fertilizer, equipment, fuel, and veterinary services. In 2002, County farmers spent \$85.6 million dollars on total farm production expenses. According to studies in other communities, it is likely that 65 to 75% of these purchases are made within the County. While the number of farms declined slightly from 1997 to 2002, down from 1,042 to 1,028 farms - a 1% decrease, the amount of land in farms increased by 11%. The acreage increased from 298,322 acres in 1997 to 330,561 acres in 2002 (US Dept. of Agriculture, 1997, 2002). This was 40% of the Jefferson County's total land acreage.

Other characteristics of the County's economy are listed in the following 2005 Jefferson County Economic Indicators Annual Summary. Many of these indicators are further discussed in the 2006 Community and Economic Profile.

	Economic Indicators Annual Summary 2005					
	Quarterly Average 1 st Q 05	Quarterly Average 2 nd Q 05	Quarterly Average 3 rd Q 05	Quarterly Average 4 th Q 05	Yearly Average 2005	Yearly Average 2004
Non-Ag Employment (1)						
Total	39,300	41,300	42,600	41,700	41,200	40,700
Natural Resources, Mining & Construction	1,300	1,800	2,200	1,900	1,800	1,400
Manufacturing	2,600	2,500	2,500	2,300	2,500	2,900
Wholesale & Retail Trade	7,000	7,400	7,600	7,700	7,400	7,200
Transportation, Warehousing & Utilities	1,800	1,800	1,900	1,800	1,800	1,500
Information	700	700	700	700	700	800
Financial Activities	1,300	1,300	1,300	1,300	1,300	1,300
Professional & Business Services	1,900	2,000	2,100	2,700	2,200	2,500
Education (Private) & Health Services	6,800	6,900	6,900	6,600	6,800	6,100
Leisure & Hospitality	3,000	4,000	4,900	3,600	3,900	4,000
Other Services	1,500	1,600	1,700	1,800	1,700	1,800
Federal Government	2,800	2,700	2,700	2,700	2,700	2,800
State Government	1,800	1,800	1,800	1,900	1,800	1,800
Local Government - Education	4,300	4,300	3,800	4,300	4,200	4,000
Local Government - Non-Education	2,600	2,600	2,600	2,300	2,500	2,700
Unemployment (1)						
Number	3,600	2,700	2,400	2,800	2,900	3,600
Rate	7.7%	5.7%	5.0%	5.9%	6.1%	8.2%
Currency Exchange Rates (2)						
US-Canadian Dollar Exchange (Value in Canadian \$'s)	1.227	1.244	1.202	1.173	\$1.212	1.302
County-Issued Building Permits (3)						
	Quarterly Total 1 st Q 05	Quarterly Total 2 nd Q 05	Quarterly Total 3 rd Q 05	Quarterly Total 4 th Q 05	Yearly Total 2005	Yearly Total 2004
Commercial	13	15	23	18	69	90
Non-Commercial	111	374	380	256	1121	970
Construction Value	\$9,678,870	\$31,793,523	\$22,444,063	\$15,584,179	\$79,500,635	\$44,018,815
TI Bridge Crossings (4)						
Total (Commercial and Passenger)	382,179	540,954	729,013	416,368	2,068,514	2,065,703
Commercial	114,709	122,967	112,993	109,001	459,670	479,343
Sales Tax (5)						
Monthly County Receipts	11,680,588	\$13,903,968	\$16,404,382	\$13,961,846	\$55,950,784	\$44,103,311

Consumer Price Index	% Change during 1 st Q 05	% Change during 2 nd Q 05	% Change during 3 rd Q 05	% Change during 4 th Q 05	% Change during 2005	% Change during 2004
US City Average	1.6	0.6	2.2	-1.0	3.4	3.3

Occupancy Tax (6)	1 st Q 05 Dec-Feb	2 nd Q 05 Mar-May	3 rd Q 05 Jun-Aug	4 th Q 05 Sep-Nov	Yearly Total 2005	Yearly Total 2004
Total Collected by County	\$47,080	\$109,783	\$273,136	\$147,257	\$577,256	\$529,945

Notes:

- (1) Source: Labor Area Summary, Monthly Statistical Report, NYS Department of Labor
- (2) Source: United States Federal Reserve Bank, Statistical Release of Foreign Exchange Rates
- (3) Source: Jefferson County Building Code Enforcement Office (covers 30 of 43 municipalities)
- (4) Source: Thousand Island Bridge Authority monthly reports
- (5) Source: County receipts as reported by Jefferson County Treasurer
- (6) Source: Occupancy Tax Collections as reported by the Jefferson County Treasurer. Occupancy Tax receipts are collected at intervals inconsistent with the other indicators.

Report compiled by the Jefferson County Department of Planning on behalf of the Comprehensive Economic Development Strategy (CEDS) Committee.

Historical Data available on the Jefferson County Government Web Site at <http://www.co.jefferson.ny.us>

IV.

Economic Assessment

As reflected earlier in this 2006 CEDS Plan Update, Jefferson County is experiencing fundamental changes in its economy and employment sectors. Many patterns evident throughout the 1990's, such as those related to employment growth in the service sector, challenges to the County's manufacturing and agriculture production sectors, and innovation in telecommunications capability, continue to influence the County's overall economic health. However, the recent growth of Fort Drum through its 3rd Brigade transformation, and the resulting increase in new military residents, has elevated the base's economic significance in the County.

Fort Drum is clearly the largest economic engine in the region, and is one of the largest single employers in New York State. According to the Fort Drum Regional Economic Impact Model, over 24,000 individuals are directly or indirectly employed as a result of Fort Drum and its operations. The Model further estimates that over \$774 million in regional payroll and \$1.29 billion in annual gross economic output can be attributed to direct, indirect, and induced impacts of the base.

The CEDS Committee and the Center for Community Studies (CCS) at Jefferson Community College have identified critical trends and issues that the community must recognize and embrace in order to design effective community strategies to sustain and diversify its economic growth.

A. Emerging Trends

Globalization

As the world economy continues to integrate and emerging economies compete more aggressively for resources, Jefferson County will face a series of challenges:

- The demand for unskilled labor will decline in most industries while the demand for skilled labor will increase. People who can continually innovate, establish creative new business opportunities, and manage the adoption of new technologies will be in particular demand. Jefferson County will face competitive challenges in attracting/retaining skilled and creative workers, as well as in finding employment for unskilled workers.
- Prices for most raw material resources, including oil, will continue to rise. This will raise energy and transportation prices, place price pressure on timber, paper, and plastics margins (as well as other commodities), and generally strain the economics of labor and energy-intensive business in Jefferson County. Manufacturers in the County will face increasing pressure to outsource work overseas and/or to relocate to areas with lower costs.

- Most industries in the US will become more capital and technology-intensive, in an attempt to offset rising resource prices (including labor). This will expand the need for investment capital for new and existing businesses in Jefferson County.
- Market opportunities will expand overseas, offering new opportunities to businesses in Jefferson County. The primary opportunities in these markets will be very high value-added goods and services, with substantial intellectual content. Penetrating these markets will require extensive background in international business/marketing and product design, as well as an innovative, entrepreneurial approach.

Aging Populations and Healthcare

New medical technology, aggressive pharmaceutical marketing strategies, and an aging population will continue to raise the cost of healthcare in Jefferson County.

- The rising cost of healthcare and health insurance will put care beyond the reach of an increasing number of Jefferson County residents, increasing the stress on public healthcare systems and simultaneously burdening employers with increasing costs.
- The demand for comprehensive and modern healthcare services may encourage more higher income residents to seek healthcare in Syracuse or other large communities, while lower income or non-paying residents will remain in Jefferson County.
- The growing nationwide demand for highly-skilled healthcare workers will push up wages while encouraging hospitals to limit employment and seek alternative solutions. Healthcare workers, regardless of where trained, will become a national resource.

Fort Drum Expansion

The rapid expansion of the population on Fort Drum is creating both a supply and demand shock in the local community. In particular, the demand side is encouraging the development of expanded retail and housing offerings. If this is not well-managed, it threatens to overtax existing infrastructure and reduce land value for agriculture, tourism, and other uses.

- The surge in demand may cause developers to build tracts of retail and housing units wherever land is cheap and services available. This rapid expansion could overtax transportation and other services while producing an unsustainable sprawl and limiting land values and community development in the future. Left to itself, poorly managed development will not produce the best long term quality of life for many residents.
- Despite this increased demand, current market economics are preventing a strong private sector response to the housing shortage. Current market rents are below those required to support the construction of new housing units. While the shortage will eventually cause rents to rise, thus spurring construction, the County faces a near term period of undersupply.
- The increased total demand from the expanded Fort Drum population will offer Jefferson County increased economies of scale, justifying new retail and business investments

that could not be justified without the Fort. These offer opportunities for greater capital investment in commercial and public infrastructure and services.

Government Services and Tax Revenues

An increased population, with increased needs for healthcare and other public goods, will expand the demand for government services. At the same time, the declining base of export industries and increased use of Internet-based suppliers will affect sales tax revenues collected by county governments.

- New infrastructure development, including cultural venues, education, healthcare, and telecommunications, will require significant capital investments. At the same time, residents of the County will need traditional services and infrastructure from government. *The future will be expensive.*
- Increased planning, strategic partnering, cultural/amenity development, and entrepreneurship programs will demand new skills, including advanced marketing and international business analysis, external communications/promotion, economic analysis and forecasting, and management skills. County and other local governments must be prepared to attract, develop, and retain employees and/or consultants/agencies with these skills, while continuing to provide traditional administrative services to the community. *We need smarter government as well as leaner/more productive government.*
- Regionalism is becoming more important. Communities that participate in regional approaches to economic development and support regional initiatives are more likely to find success, those that continue to go it alone will find themselves at a distinct disadvantage.

Entrepreneurship and Endogenous Growth

The competition for traditional industrial employers is becoming ever more intense and Jefferson County has few real advantages and many disadvantages in the contest. Rather than pin our economic hopes on recruitment, we need to be ready to foster internal growth through new business creation and expansion.

- Most research is pretty clear that high-growth businesses typically occur in certain types of industry and that the initial plans of the entrepreneur/founder(s) predict growth rates more reliably than do economic conditions. There is a real and important difference between the entrepreneur who plans a corner shoe store and the one who wants to create a new global brand of shoes. Jefferson County must be able to spot and capitalize on this difference. We need to recruit entrepreneurs with high-growth interests and capabilities. *Lots of other areas are trying the same approach, so we need to be specific about what areas of entrepreneurship we seek and what we have to offer.*
- Entrepreneurs seldom have everything they need to succeed, including adequate business knowledge/skills, access to investment capital, and affordable business services (accounting, legal advice, advertising/marketing, etc). To foster successful

entrepreneurship, Jefferson County should develop mechanisms to provide the support entrepreneurs need.

- Access to equity investment capital is extremely difficult for many entrepreneurs in the region. Attempts to establish private regional venture capital or angel funds have not been successful, for pretty solid economic reasons. Jefferson County needs to explore opportunities to provide public or quasi-public funding to these needs. *Private investors have not put money into local ventures because they can find lower-risk/higher-reward opportunities elsewhere.*

B. Key Industries and Issues

Through its assistance in the development of this CEDS Update, the Center for Community Studies has identified three primary industries that are critical to the County's future economic development and can be positively influenced by local initiatives.

1. *Manufacturing* - While this sector is in decline and the much of this trend is driven by factors beyond our control, the sector generates very high quality jobs and is worth some investment in retaining and growing. The consensus appears to be that we face serious challenges in attracting new high-growth manufacturing businesses, but we might be able to grow the businesses we have as well as attracting entrepreneurs to launch new manufacturing businesses.
2. *Agriculture* - Agriculture is a major sector of our current economy. Like many other industries it faces challenges such as availability of skilled labor, aging of its current workforce, high cost of production, national and international competition, availability of competitive financing resources and competition for land resources. Jefferson County should continue to support its strong and growing dairy industry as well as find and dedicate resources to assist efforts for development of other commodity and value added agricultural products including improved marketing of the industry and its products.
3. *Tourism* - Long a key part of our economy, tourism is stagnant and seems to resist our efforts to grow it by traditional means. The best bets for growth appear to lie in developing a complete range of seasonal outdoor recreational opportunities, as well as in growing our tourism infrastructure and capturing more spending per tourist visitor.

The Center has also identified three key development issues that can leverage growth in the above sectors and shape our approach toward each:

1. *Entrepreneurship* - Each of the targeted industries above require external entrepreneurship or internal "intrapreneurship". We need fresh ideas, new investment, and individuals who can launch and grow businesses in these and supporting sectors. While there is some interest on the part of our residents to pursue entrepreneurial opportunities, and we have local agencies with the capacity to support new business efforts, our track record is poor in producing a high number of sustainable entrepreneur businesses. We don't have enough trained business people interested in entrepreneurship or intrapreneurship, nor do we have an integrated approach to fostering prospective entrepreneurs.

2. *Fort Drum Expansion* - Fort Drum, already the largest employer and economic engine in Jefferson County, is expanding its workforce by over 6,000 soldiers, who are being accompanied by roughly an equal number of dependents. This represents a huge new market for regional businesses, as well as a potential source of skilled workers and entrepreneurs. The arrival of these soldiers represents a passing opportunity to “jumpstart” our general economic development plans.
3. *Workforce Development* - Each of the target industries, as well as other key areas such as health care and services, requires a skilled workforce. We need to implement programs to foster increased skill and educational development in our county workforce to maximize the opportunities our growth sectors present.

The following discussion further articulates the opportunities presented by these development issues in the Manufacturing, Agriculture, and Tourism sectors. Major themes are summarized in the chart on the accompanying page.

Key Issue #1: Entrepreneurship

Industry: Manufacturing

What manufacturing we have now or are likely to attract/develop in the future will be centered around higher value-added products and specialty markets. To grow, these businesses will need to expand their marketing/product development efforts as well as cut production costs. This will require existing manufacturers to behave entrepreneurially by innovating across all aspects of their operations – product development, marketing, and developing a more global presence. Companies in this sector will also benefit from behaving as “intrepreneurs”, and develop new processes inside their organizations that cut costs, and generally improve organizational performance.

- The area’s technical universities have the potential to partner with area firms in developing new product and service offerings. Local manufacturers should reach out to university contacts to explore the potential for such partnerships.
- Agriculture and food processing opportunities in the manufacturing industry have been stressed as a means to expand manufacturing production. The idea is not so much additional processing of conventional dairy products, but the development of new products that use agricultural products as a feedstock. Concepts such as ultrafiltration of milk and biorefined products are examples that need to be explored. Existing manufacturing operations should be encouraged to invest in development of new infrastructure and new agricultural manufacturing operations should be encouraged to invest in the region.
- Globalization of markets is often seen as a negative force on area manufacturers, as it has spawned a great number of low cost producers, prominently in China and other Asian countries. This perspective betrays the fact that globalization presents new markets to area manufacturers as well. Local manufacturers need to embrace globalization and the innovation it demands and become participants in the global marketplace.

Jefferson County CEDS - Assessment of Economic Opportunities

	Tourism	Agriculture	Manufacturing
Key Issue #1 Entrepreneurship - New Business Creation	<ul style="list-style-type: none"> • Trails initiative • Second homeowners • Agricultural branding • Ecological and recreational tourism • Waterfront planning and development • Marketing 	<ul style="list-style-type: none"> • Increase value-added production • Increase use of new technologies on farms • Increase diversification • Growth in dairy 	<ul style="list-style-type: none"> • Link with Universities • Increase use of alternative energy technologies • Increase global presence of local manufacturers • Increase marketing and product development
Key Issue #2 Fort Drum Expansion	<ul style="list-style-type: none"> • Local hotel demand generator • Spouse workforce • Retirement careers • Combating blight • Demand generation 	<ul style="list-style-type: none"> • Deal with negative impacts from growth, development pressure on farmland • Sell direct to Fort Drum 	<ul style="list-style-type: none"> • Pursue findings of FDRLO Gap analysis
Key Issue #3 Workforce Development	<ul style="list-style-type: none"> • In-service training • Management training • Entrepreneurial training • Community image and attitude 	<ul style="list-style-type: none"> • Migrant workers • Skilled workforce for current industry and developing entrepreneurs 	<ul style="list-style-type: none"> • Deal with decrease in skilled blue collar labor • Better linkage with schools • Invest in workforce more

General Issues:

Financial

- Increase cash-flow based lending, not just for job creation.
- Address regional cost issues: energy, W/C insurance, taxes, health care, etc.
- Increase synergy between producers to reduce individual overhead costs.

Energy

- Position the County as a low cost energy provider, most notably in hydro, wind, and alternative energy technologies.

Industry: Agriculture

- Overall, dairy manufacturers will need to continue to advance cost saving measures to compete in a highly competitive market. As in manufacturing, an intrapreneurial approach that emphasizes increased use of technological advances on farms will be beneficial. Examples include advancements in the use of methane digesters and other waste handling practices.
- Production diversification has long been a strategy put forth to advance agriculture in the County. With the trend toward larger and fewer dairies, marginal farmland will be available for more non-traditional, non-dairying agricultural activities. Opportunities to utilize this land resource need to be fully explored.
- Growth is likely to come from our dairy industry and increasing our value-added work. Every effort should be made to provide necessary resources for maintaining and growing our dairy industry. Resources should be put in place to help young farmers with start up of their own operations.

Industry: Tourism

Generally speaking the Jefferson County tourism industry is dominated by small, independent businesses. Historically, corporate owned lodging has been limited. Most tourist oriented food service is independently owned. A large number of small retailers and service providers also cater to the tourist trade. There is opportunity for the small entrepreneur to develop business within the County without threatening competition from corporate giants. The local tourism industry has a long established network of support, based on small independent businesses. Access to affordable real estate and labor encourages business start-ups. While financial institution backing of tourism businesses has been lukewarm in some areas, other financial institutions have initiated lending programs with objectives targeted toward tourism related operators. The following are examples of entrepreneurial opportunities in tourism.

- Jefferson County has identified recreational trails as an opportunity for attraction of tourists year-round, including snowmobilers; ATV'ers; cyclists, hikers, and equestrians. An initiative currently underway to organize trail development in the County focuses on providing new small business opportunities.
- Jefferson County has begun an initiative to reach out to its 6,000+ second home owners. This pool of affluent, educated individuals with existing personal and financial ties to County represents an opportunity for substantial entrepreneurial recruitment. Research and marketing related to this opportunity can help the County relate to investors already familiar with the region.
- As an agricultural region with substantial tourist traffic, Jefferson County sees the opportunity to improve the connection between agriculture and tourism. A "North Country" branding initiative has been undertaken and is being evaluated for expansion. Wineries are emerging in the region and associate entrepreneurs are enthusiastic about

the potential. Continued work on these branding programs will be needed to provide a retail face to local agriculture.

- Jefferson County has a multi-generational tradition of outdoor guides, especially charter fishing captains. To maintain and expand this entrepreneurial tradition, efforts must be made to make these services relevant to modern visitors. Programs should be investigated for better training and cooperative marketing related to eco/recreational tourism.
- Jefferson County has more waterfront than any other County in the State. Several localities are involved in the Local Waterfront Revitalization Plan (LWRP) process and various organizations focus substantial energies on waterfront promotion and planning. Obviously, the waterfront is the dominant tourism resource in the County and access to the waterfront is paramount to the success of tourism businesses. By the sheer volume of its waterfront space, the County has not had to yet deal with the vacation home gentrification that has forced out tourism businesses in some areas of the country. Nor, has it organized an overall plan for exploiting its waterfront for the highest and best use. The County needs to coordinate a county-wide waterfront vision for tourism business that takes into account the various local LWRP's and fill in the gaps. Communities should also consider land management policies that assure commercial access to the waterfront for tourism interests.
- Tourism entrepreneurs in Jefferson County do not have the level of marketing clout enjoyed by nearby competitors. Due to the independent business nature of the County's tourism industry, no single entity has a marketing budget capable of promoting the County on a regional basis. Long-term partnerships do exist within the County to promote tourism. The Thousand Islands International Tourism Council generally raises about a one million dollar annual budget for tourism promotion, with a quarter coming from the County government. However, even this amount is one half to one third the budget of more aggressive Northern New York counties. The County needs to seek ways to better fund its tourism marketing effort in order to be competitive with other localities within its own primary markets.

Key Issue #2: Fort Drum Expansion

Fort Drum is the acknowledged primary force in the Jefferson County economy. As such, it will influence each of the identified key industries profoundly. The growing military presence in the County will offer all manner of businesses new opportunities. These will be manifest in new markets, as well as the opportunity to attract a talented workforce to existing businesses. The following are examples of how those opportunities can be addressed across the key industry sectors.

Industry: Manufacturing

- The Fort Drum Regional Liaison Organization is undertaking a "Business and Resources Gap Analysis" that will identify products and services that are demanded by Fort Drum and the military, that are not provided by local industry. The intention is to use this analysis to develop target businesses, that can either be developed in existing manufacturers or represent an opportunity to attract new manufacturers to the County.

- Military family members represent a pool of talent that can help to alleviate the problems that manufacturers have long cited in attracting and recruiting new talent to the area. Force stabilization will mean that this potential talent pool will be present in the community for greater periods of time.

Industry: Agriculture

- While not an opportunity for agriculture in the clearest sense, as Fort Drum grows, it will spawn related off-post commercial and residential development. It is likely that this increased development will occur on farms near areas of higher population density and result in a loss of productive farmland. The detrimental effects of this potential need to be monitored and managed to insure the continued viability of the agricultural land base in the County.
- A larger Fort Drum means more potential consumers for area agricultural products. Area producers need to explore ways to sell their products either directly to the military as an institution or to these new consumers directly.
- Military retirees are attracted to the rural lifestyle presented by the County. Opportunities for this population to pursue agricultural pursuits need to be encouraged.

Industry: Tourism

The military's relationship to tourism may not be readily apparent at first glance. However, as a major economic force in the region, Fort Drum can be used to leverage improvements in the tourism industry. Likewise, the tourism industry can contribute to providing a local quality-of-life that will make Fort Drum a much more attractive assignment for military personnel.

- Fort Drum is generating significant demand for transient rooms. The County has the opportunity to translate this demand into lodging development. Little new lodging has been built in the County for over ten years and many lodging operations are out-of-date. This has hindered the County's ability to appeal to many tourists and groups. Locations convenient to Fort Drum and appropriate for tourism use can be marketed to developers interested in this dual audience. If harnessed in an organized effort, Fort Drum's substantial need for lodging could be translated into a significant incentive for new investment.
- Fort Drum spouses present the opportunity for an excellent workforce available to hospitality and tourism enterprises.
- Fort Drum's military retirees represent a well trained and enthusiastic source of entrepreneurs and managers for local tourism. Focused, motivated individuals are needed to bring tourism quality levels back to national standards. The County's tourism interests need to establish a rapport and support program with this group in order to encourage their involvement in the industry.

- The general aesthetic condition of many communities in Jefferson County is blighted when compared to national tourism standards. In some cases, this blight dominates major tourism highway routes. The construction of new housing, transportation links and businesses associated with the expansion of Fort Drum presents the opportunity to redress some of the blight that now discourages tourism investment in the County. Further, the need to address local zoning and maintenance laws in association with new construction can encourage localities to address long ignored blight.
- Fort Drum's demographics mesh well with those of many hospitality and recreation businesses. The erosion of good paying jobs and the aging of the population base has had detrimental effects on many businesses used by tourists and the local population alike. The County needs to seek catalysts that will leverage tourist demand with military demand to support successful enterprises that will enhance local quality-of-life.

Key Issue #3: Workforce Development

Industry: Manufacturing

- Manufacturers cite a declining skilled blue collar labor force as a growing concern. The existing blue collar workforce is aging, and new entrants to the workforce are not attracted to manufacturing careers to the extent they were previously. The realities of the modern manufacturing workplace need to be more prominently and positively presented to students as a potential career path.
- The technical universities in the area have long been a source of the skilled workforce that manufacturers need. Yet, many students choose to leave the area for technical employment elsewhere. The linkages between these institutions and the local manufacturing sector need to be strengthened further in a way that presents local manufacturing as a "first choice" for graduating students.
- Evidence shows that area manufacturers compensate production workers at rates below State and national averages. The idea that many local manufacturers are still treating labor as a commodity is of concern, because it may limit their ability to attract and retain qualified and productive employees. Local manufacturers should adopt a more strategic approach to recruitment, training and retention of production employees.
- As described in the Entrepreneurship section earlier, manufacturers will need to develop new products and services to compete in a global marketplace that demands constant innovation. Training programs need to be established that help manufactures adopt this approach to the marketplace.
- To combat the aforementioned problems with the manufacturing workforce, employers in this sector should forge strong bonds to schools, that allow them to influence the content of curricula, as well as establish connections with future potential employees. This in turn will allow manufacturers to solve the problems associated with the increase in the average age of the typical manufacturing employee.

Industry: Agriculture

- Farms in the County are increasingly relying on migrant farm workers as one means to control costs. The impacts on the local labor market of this trend need to be understood.
- Agriculture workforce training programs should focus on two initiatives, providing a skilled workforce that meets the needs of our current industry, and providing necessary entrepreneurial skills to those interested in value added production.

Industry: Tourism

- Front-line staff at many local tourism establishments are under trained, leading to a substandard level of customer satisfaction in many surveys. Lacking the training provided within larger corporate structures, many local independents simply do not have the resources to address this issue. The County needs to proactively establish front line service training.
- Managers in local tourism establishments do not have access to skills training needed to enhance their careers and businesses. Further, the general stability and small staff size of the management workforce does not expose it to new methods introduced by turn-over. This lack of training access is often displayed in delayed adaptation to best practices. The County needs to evaluate specific needs of its tourism management and work with industry organizations to provide access to this training in the rural setting of the County.
- Many tourism entrepreneurs are attracted to their businesses as lifestyle investments. This often leaves gaps in business proficiencies. Access to specific skill training for entrepreneurs is not readily available. Further, local educators often discount the opportunities for self-employment within tourism and are not equipped to counsel or prepare students for this choice. A creative approach to entrepreneurial coaching can assist in assuring success of new investors and encouraging those who are considering self employment.
- The general community pride of County residents does not reflect its position as a significant tourism destination for recreation and scenic touring. This lack of a “salesman’s enthusiasm” for the local tourism product is often noted by visitors. Such a socio-economic disconnect is not unusual in a resort area. The County needs to develop programs in concert with other industries to develop this ethic on the part of the tourism industry workforce.

General Issues:

In addition to those economic development opportunities closely tied to the key issues and industries outlined above, the CEDS Committee has noted other issues, largely in the finance and energy areas, that present local challenges and/or opportunities.

Financial

- The cost of doing business, as reflected in typical manufacturing expenses for utilities, labor, workers' compensation insurance, taxes, health care, shipping, and commercial liability insurance continue to be noted as impediments to a more successful local manufacturing environment.
- Local lending policies, both in the private and public sector need to adjust to the realities of the manufacturing environment. As local manufacturers try to reduce costs, they will be driven to expand fixed costs (make capital investments) to reduce variable costs – including labor costs. Are we prepared to loan public dollars to a business to allow them to reduce the number of jobs they offer?
- In less capital-intensive sectors, we need to be ready to loan on new ventures that do not involve a lot of new inventory or equipment that could be used as collateral. Cash-flow based loans will need to become more readily available.

Energy

- Energy costs are serious issues for employers everywhere. If we can develop regional energy sources and reserve that energy for local use, it could be a big competitive advantage. We should explore all local means to position the County as a low cost energy producer, most notably in, biomass, hydro, wind, and other alternative energy technologies.
- In addition to the direct cost of energy, businesses have stated concerns related to the limited availability of Power for Jobs and Empire Zone programs, which have the potential to reduce utility costs.

In summary, business and economic development leaders are faced with a series of economic development opportunities across the County's key sectors and industries. The community must also work to minimize, as much as possible, local negative impacts associated with certain global trends, such as higher energy costs and offshore labor efficiencies. The community should strive toward increased synergy between businesses to reduce individual overhead costs and grow market share.

V.

Economic Development Goals and Strategies

With the preceding Economic Assessment in place as a foundation for decision-making, the CEDS Committee has identified several economic development goals and strategies that should be locally pursued. The Committee also recognizes the value of other strategic economic development planning efforts that outline sector-specific and regional steps and measures that are consistent with CEDS objectives. For example, the local economic development community should work closely with the Syracuse Metropolitan Development Association to coordinate Jefferson County participation in the Essential New York Initiative, a multi-county partnership to accelerate the transition of the Central Upstate region to a knowledge-based economy.

The CEDS Committee also recognizes the need for increased emphasis on integration of workforce development issues in local economic development programming, from the quality of local school education... to retention of our college educated youth...to sufficient training opportunities for our skilled trade workers. These objectives can best be attained through a close working relationships with the Jefferson-Lewis Workforce Investment Board as it leads implementation of objectives outlined in its recent State of the Workforce Report.

A. “End-State” Results

The CEDS Committee has identified a series of “End-State” economic development results that represent desired community objectives by the year 2011. These results are put forth to articulate a vision that capitalizes on community strengths and opportunities in order to create a stronger and more diversified Jefferson County economy. The following End-State results establish the foundation for more specific economic goals and strategies discussed later in this chapter. They will also be useful to measure the impact of CEDS strategies and local economic development efforts over the next several years.

General Results

The Jefferson County economy will support more diverse and higher quality job opportunities.

Jefferson County will retain and attract more college educated residents through growth in the number of knowledge-based job opportunities.

Jefferson County will be a full and contributing partner in regional redevelopment initiatives, such as the Syracuse Metropolitan Development Association’s Essential New York Initiative.

Jefferson County will have a greater level of product diversification in its agriculture, manufacturing, and tourism sectors, as evidenced through niche product development and success in the global marketplace.

Jefferson County’s communities will have enhanced comprehensive planning capability to address both local and regional growth and development issues.

The CEDS Plan will become the community's "go to" economic development plan that directs actions and strategies for all local groups and organizations active in economic growth and renewal.

Fort Drum Growth

Fort Drum will have an increased presence in our County - in terms of force structure, resident population, and employment and economic impact.

Local businesses and development organizations will have capitalized all possible direct and indirect economic opportunities associated with the growth of Fort Drum.

Workforce Development

The area's educational institutions will embrace their role of training the County's workforce of the future, will and offer more extensive educational offerings for the emerging job opportunities of the 21st Century.

Jefferson County will have an ample and growing supply of workers suitable for the "knowledge-based" workplace.

The County's skilled trade employers will have an ample supply of workers to sustain and grow job opportunities.

Entrepreneurial Opportunities

Jefferson County will have an improved entrepreneurial climate with a greater number of start-ups and established small businesses.

Economic Resources and Community Infrastructure

Jefferson County will have enhanced recreational and tourism opportunities and upgraded facilities for residents and visitors leading to substantially increased tourism revenues.

Commercial, business and recreational traffic across the Thousands Islands Bridge will flow in a timely and efficient manner so as to support a healthier bi-national tourism economy.

Jefferson County will have cutting-edge utility, alternative energy, and telecommunications infrastructure to support economic and employment growth.

The downtowns and village centers in the County will offer residents and visitors the opportunity to experience a variety of unique and engaging cultural and commercial offerings in settings that are strongly influenced by area heritage, architectural character and the natural environment to improve and become hubs for business and tourism development.

The area's public and private finance organizations will be adequately supporting local capital needs.

The area will be aggressively developing alternative energy production opportunities to provide energy cost advantages for local businesses.

The County will be adequately served with a multi-modal transportation system that will meet the economic development needs of the community. This system will include a new limited access connector route between Interstate 81 and Fort Drum, and a County Airport facility that accommodates general and commercial aviation.

Government Services and Efficiency

The Jefferson County area will have more efficient government at all levels and will be actively engaged in restructuring the delivery of services to attain this goal. By being more efficient, governments will control the cost of service delivery which will allow them to strategically direct their resources towards both community needs and economic growth.

B. Priority Goals and Strategies

While previous CEDS Plans have put forth economic development strategies on a sector by sector approach (such as agriculture, tourism, manufacturing, etc.), it is clear that future opportunities for local economic growth are becoming more complex and the strategies for addressing the opportunities are more interdependent. As such, CEDS strategies will have more of an impact when they support multiple economic objectives across several traditional and emerging economic sectors.

The CEDS Committee has identified a comprehensive series of goals and strategies in five categories that should be pursued to help the community achieve its economic development vision. These categories are: Fort Drum Growth, Workforce Development, Entrepreneurial Opportunities, Economic Resources and Community Infrastructure, and Government Services and Efficiency. A total of 30 goals and over 100 strategies have been identified through the CEDS process as having potential to help meet the CEDS Committee's desired outcomes. (The full list of initiatives follows in Section C.)

The Committee next prioritized the list of goals and strategies in Section C. by evaluating the relative value and cost of each, and identified a "lead agent" and CEDS Committee representative that will coordinate implementation steps and be responsible for regular reporting back to the CEDS Committee on progress. The Committee has designated the following as priorities:

1. Establish a support network for entrepreneurs and new businesses, designed to help them grow and compete successfully.

Focus efforts on identifying key entrepreneurial niches and opportunities in the region and recruiting skilled individual entrepreneurs to fill those niches.

Continue training opportunities through the Small Business Development Center.

Establish entrepreneurial programs in schools to include activities such as case study reviews, speakers/events, business visits, school-based businesses, business plan competitions, etc.

Develop employee training programs that are available for small employers/new start ups. These should include training opportunities for technical skills, soft skills, and various managerial and business skills.

Establish a curriculum on entrepreneurship at the various higher education institutions in the area.

Engage business owners to participate in a roundtable/peer network to assist fledgling entrepreneurs. Activities might include mentoring, formalized business plan review, business plan competitions, network events, etc.

Establish a regional venture capital fund or identify and facilitate other sources of equity investment available to local entrepreneurs. These may include public or private funds.

Lead Agent:

Jefferson County Job Development Corporation

Recommended Supporting Partners:

Small Business Development Center, Workforce Investment Board, BOCES, Jefferson Community College, Chambers of Commerce, Metropolitan Development Association, Development Authority of the North Country, Empire State Development, JCADC, Cooperative Extension.

CEDS Committee Facilitator:

James Fayle

2. Develop a comprehensive Alternative Energy Strategic Plan for the County to exploit local energy production advantages and related business opportunities.

Develop an inventory of the County's existing and potential renewable generation capabilities and our distribution assets.

Prepare a regional energy plan that guides policies, programs, asset allocations, conservation efforts and in order to present a unified, collective and marketable approach to these matters.

Identify and cultivate energy experts from the private sector, education and government to assist the region in developing a strategy for advancing the notion that we are the Mecca for alternative energy initiatives in Northern New York.

We should position all existing educational outlets, high schools, BOCES and colleges to offer energy level exposure, practical application techniques, and degrees in alternative energy development.

Lead Agent:

Jefferson County Job Development Corporation

Recommended Supporting Partners:

New York State Energy Research and Development Authority, National Grid, DANC, Hudson River-Black River Regulating District, CITEC, Empire State Development, Citizens Campaign for Environment, NYPA, NYSPSC, JCADC, Cooperative Extension.

CEDS Committee Facilitator:

Don Alexander

3. Facilitate and encourage investment in public and private tourism infrastructure to achieve standards comparable to competing destinations.

Local economic developers and tourism promoters should package technical assistance for existing tourism businesses to promote the availability of business plan and capital upgrade services, public and private financing programs, and market research resources to support increased investment.

Lead Agent:

Thousand Islands International Council

Recommended Supporting Partners:

Thousand Islands Regional Tourism Development Corporation, Chambers of Commerce, Seaway trail, Inc., Thousand Islands Bridge Authority, Jefferson County Job Development Corporation, Lake Ontario Fisheries Coalition, Soil and Water Conservation District.

CEDS Committee Facilitator:

Gary DeYoung

4. Accommodate and enhance the quality of growth occurring with the 3rd Brigade transformation.

Develop a County Growth Database (GIS-based) to inventory development and infrastructure locations on a County and regional scale.

Develop and implement land use policy recommendations for long term growth and development preferences. Adopt a series of growth and development policies within the jurisdiction of the Jefferson County Planning Board, and share with local decision-makers.

Continue Housing Needs Analyses, currently led by the FDRLO Housing Task Force, to predict short and long-term housing needs related to Fort Drum growth

Continue efforts to develop an inventory and marketing package to promote shovel-ready off-base housing sites for prospective developers.

Continue support of FDRLO as lead intermediary between military and community interests. Promote the post-BRAC mission for FDRLO.

Inform the general public and business community about the extent and nature of on- and off-base growth and spin-off impacts associated with the current transformation. Future military growth scenarios should be postulated to help anticipate community changes and necessary responses.

Maintain validity of Fort Drum Regional Economic Impact Model to demonstrate extent of indirect and induced economic impacts of the base's operation on the three County area.

Analyze areas adjacent to the base where land use conflicts and encroachment issues may result from Fort Drum operations. Evaluate and implement tools and techniques available to reduce conflicts. Pursue a Joint Land Use Study (JLUS) in cooperation with the Department of Defense and implement recommendations.

Continue to identify and access financial and administrative resources needed to support off-base housing needs (new construction and renovation).

Determine extent of housing displacement that may occur as a result of Fort Drum growth. Determine resource needs to maintain a sufficient level of affordable housing for any displaced residents.

Lead Agent:

Fort Drum Regional Liaison Organization

Recommended Supporting Partners:

County Planning Department, Empire State Development, Development Authority of the North Country, Garrison Commander's Office

CEDS Committee Facilitator:

Douglas Schelleng

5. Capitalize on the growth of Fort Drum by leveraging business expansion in military/defense-related sectors and non-military sectors.

Facilitate the entry of military family members and retirees into the local job market by way of a variety of activities.

Increase the percentage of supply and service contracts awarded to Jefferson County businesses

Conduct an economic gap analysis that explores any opportunities that may exist to provide goods and services to Fort Drum and its population either by way of development of local business capacity or by attracting new businesses to the County.

Lead Agent:

Fort Drum Regional Liaison Organization

Recommended Supporting Partners:

Chambers of Commerce, Jefferson County Job Development Corporation, Empire State Development, Garrison Commander's Office, Small Business Development Center, Workforce Investment Board

CEDS Committee Facilitator:

Douglas Schelleng

6. Retrain and reorient the workforce to take advantage of emerging service jobs and strengthen our ability to attract high-technology manufacturers, while addressing wage and skill levels in the region.

Work with employers to identify the specific skills and jobs they expect to need in the future and develop plans to help them meet those needs.

Work with regional economic developers to identify specific industrial clusters that will be targeted for recruitment and development in the future, as part of regional economic development strategies. Develop plans to meet the expected workforce needs of these clusters.

Promote the expected future jobs\skills needs to area educators and workforce members and help coordinate their future dissemination among the student population and general public in the region.

Expand the availability of general technology and workplace "soft skills" training for all students, to prepare them for success in a variety of future careers and industries.

Disseminate future workforce needs data among students, parents, and the community served by each school\institution.

Work with area educators, economic developers, and the WIB to establish in-house or cooperative training programs for existing and potential employees. These can be focused around specific technical skills and/or more general workplace skills.

Lead Agent:

Workforce Investment Board

Recommended Supporting Partners:

Jefferson Community College, Empire State Development, Board of Cooperative Educational Services, Small Business Development Center, Jefferson County Job Development Corporation

CEDS Committee Facilitator:

Martin DelSignore

C. Complete List of CEDS Goals and Strategies

Fort Drum Growth

During the past three years, the area has been engaged in a number of activities aimed at retaining Fort Drum in the face of the 2005 Base Realignment and Closure Commission process. With that threat successfully defeated, the focus has shifted from retention of the installation to insuring that its economic potential is maximized. As noted in the *Community and Economic Profile* summary, Jefferson County is currently in the midst of a major growth period, directly related to the force structure transformation underway at Fort Drum. As of this writing, it is estimated that over 6,000 additional soldiers and 6,000 additional dependents will become part of the Fort Drum community by the end of 2008. It is conceivable that additional growth at Fort Drum may be possible later this decade, above and beyond the transformation we are currently experiencing.

The *Profile* recognized the tremendous economic impact Fort Drum has on the region and in Jefferson County. At the end of FY2005, the Fort Drum Regional Economic Impact Model estimates that over 24,000 jobs exist in the tri-county area due to the presence and operations of Fort Drum. The Model further estimates that over \$770 million in annual on-base and off-base payroll is generated in the region. The total Gross Business Output was estimated to be nearly \$1.3 billion in 2005.

It is clear that the Fort's operational budget and the associated business sales in the community constitute the largest economic "engine" in the County. The force structure changes underway at Fort Drum are creating more new jobs in Jefferson County than all other non-military related economic development opportunities combined. The community should capitalize on the momentum of the troop expansion. The community needs to encourage and facilitate a high level of quality for off-base growth and development, and leverage the Fort's expansion to improve the local climate for economic development in other sectors.

Emerging Army and Department of Defense policies will create new opportunities for economic growth. The "force stabilization" policy, which calls for soldiers to be stationed for a period of up to 7 years at one location, represents additional economic benefits to the County. Home buying by military populations will increase. Family members will be more likely to enter the local workforce. Military retirees, having experienced the quality of life that the area has to offer for a longer period of time, may choose to remain in the area at a greater rate. Lastly, trends toward increased privatization of non-military functions will present opportunities for resident firms to grow.

In previous CEDS Updates, our focus has been on strategic efforts to "spark" or "induce" growth and job creation from within many of our traditional economic sectors. The County currently has the advantage of cultivating economic opportunities enabled by the expansion of Fort Drum. This expansion has the net equivalent economic impact of siting of several large businesses employing thousands of new residents. Hence, many of our strategies can move beyond the question of how to make growth happen. We can now tackle the issues of how to manage the impacts of current and future growth, and how to leverage private sector expansion in military and non-military support businesses and sectors.

Goal A. The community should accommodate and enhance the quality of growth occurring with the 3rd Brigade transformation. *

Community Planning and Development

1. Develop a County Planning Federation to share information about growth and development trends, discuss regional\corridor planning, review suitability of land use control tools, and provide an additional means of providing technical assistance to communities.
2. Develop a County Growth Database (GIS-based) to inventory development and infrastructure locations on a County and regional scale.*
3. Reactivate the Fort Drum Land Use Team to manage planning resources for delivery of community technical assistance.
4. Develop and implement land use policy recommendations for long term growth and development preferences. Adopt a series of growth and development policies within the jurisdiction of the Jefferson County Planning Board, and share with local decision-makers.*
5. Analyze areas adjacent to the base where land use conflicts and encroachment issues may result from Fort Drum operations. Evaluate and implement tools and techniques available to reduce conflicts. Pursue a Joint Land Use Study (JLUS) in cooperation with the Department of Defense and implement recommendations.*
6. Every effort should be made to examine the impact of Fort Drum growth on Jefferson County's agricultural land resource and determine the need for farmland protection programs.

Housing

1. Continue Housing Needs Analyses, currently led by the FDRLO Housing Task Force, to predict short and long-term housing needs related to Fort Drum growth.*
2. Continue to identify and access financial and administrative resources needed to support off-base housing needs (new construction and renovation).*
3. Continue efforts to develop an inventory and marketing package to promote shovel-ready off-base housing sites for prospective developers.*
4. Determine extent of housing displacement that may occur as a result of Fort Drum growth. Determine resource needs to maintain a sufficient level of affordable housing for any displaced residents.*

* Denotes priority goal or strategy.

Information and Communication

1. Continue support of FDRLO as lead intermediary between military and community interests. Promote the post-BRAC mission for FDRLO.*
2. Inform the general public and business community about the extent and nature of on- and off-base growth and spin-off impacts associated with the current transformation. Future military growth scenarios should be postulated to help anticipate community changes and necessary responses.*
3. Maintain validity of Fort Drum Regional Economic Impact Model to demonstrate extent of indirect and induced economic impacts of the base's operation on the three County area.*

Goal B. Capitalize on the growth of Fort Drum by leveraging business expansion in military/defense-related sectors and non-military sectors.*

1. Facilitate the entry of military family members and retirees into the local job market by way of a variety of activities.*
2. Conduct an economic gap analysis that explores any opportunities that may exist to provide goods and services to Fort Drum and its population either by way of development of local business capacity or by attracting new businesses to the County.*
3. Increase the percentage of supply and service contracts awarded to Jefferson County businesses.*

Goal C. Encourage Fort Drum expansion beyond the 3rd Brigade transformation.

1. Support any initiatives led by the Fort Drum Regional Liaison Organization to increase the installation's military value, such as increased Joint/Federal agency use and identification of additional training areas.
2. Use lessons learned from the 3rd Brigade expansion to prepare for potential future expansion opportunities. Identify the scope of growth that could result from various expansion scenarios.

Workforce Development

In late 2004, the Jefferson-Lewis Workforce Investment Board (WIB) issued a State of the Workforce report for Jefferson and Lewis Counties. This report, subtitled A New Workforce for a New Century, represents a call to action for educators, economic developers, and community stakeholders to reinvigorate our workforce and embrace the fundamental changes taking place in our economy. The report recognizes that a coordinated, proactive stance on the part of educators and employers is necessary to prepare our workforce to meet the labor needs in a more competitive 21st Century global economy. It sets forth a series of strategies designed to

* Denotes priority goal or strategy.

improve our prospects for matching local economic growth and job opportunities with the local workforce. As its foundation, the report summarizes the findings of community surveys and workforce research completed by the Center for Community Studies at Jefferson Community College.

A key conclusion presented in the report is the need to recognize our County's workforce as the most critical component of the overall community infrastructure required to support a diverse and viable economy. Traditional infrastructure, such as road systems, water and sewer utilities, and telecommunication facilities are often stressed as critical economic development needs. However, all these efforts would be irrelevant as economic development assets without a trained and capable workforce that can adjust to the changing requirements of 21st Century employers.

In addition to the WIB itself, the report identified four key stakeholders that have roles to play in improving the quality and adaptability of the local workforce. These are employers, economic developers, educators, and workforce members.

The report describes five strategic issues that affect the future of the workforce in Jefferson and Lewis Counties. A goal has been formulated to address each issue, with recommendations for stakeholder actions to implement measures designed to improve various characteristics of the workforce. Numerous actions steps are detailed in the report, and some are summarized in this Plan. Readers should refer to A New Workforce for a New Century for the entire set of recommendations.

Goal A. Strengthen communications and cooperation between workforce development stakeholders in the Community.

1. Conduct quarterly educator\employer planning sessions, where the needs, challenges, and opportunities of each group are shared. These sessions should be organized around particular industries or workforce themes and the venues should vary between industry and school settings.
2. Development\maintenance of a contact list of employer and educator representatives interested in joint efforts as internships, career days, recruiting visits, and other efforts to connect students directly to local workforce needs and opportunities.
3. Expand use of internships, career days, classroom visits, and other programs designed to expose students to the local employment environment.

Goal B. Establish a support network for entrepreneurs and new businesses, designed to help them grow and compete successfully.*

1. Develop employee training programs that are available for small employers\new start ups. These should include training opportunities for technical skills, soft skills, and various managerial and business skills.*

* Denotes priority goal or strategy.

2. Develop shadowing programs, internships, and student project assignments that bring students and entrepreneurs together.
3. Include entrepreneurs in career days and other vocational experiences for students.
4. Increase support to employees interested in enhancing skills in new business areas, including international business\markets, new product development\marketing, and business partnerships\teaming.
5. Establish a regional venture capital fund or identify and facilitate other sources of equity investment available to local entrepreneurs. These may include public or private funds.*
6. Focus some efforts on identifying key entrepreneurial niches and opportunities in the region and recruiting skilled individual entrepreneurs to fill those niches.*

Goal C. Increase the average education levels of the local workforce, including the number of college degrees.

1. Work with employers to identify those degree fields and advanced skills that are in demand. This information should be aggressively promoted to area educators and the general public.
2. Encourage the establishment of four year and graduate college programs in the area, in partnership with Jefferson Community College and through other models.
3. Work with regional economic developers and other agencies\schools to identify and attract grants and other funding to support local programs leading to advanced degrees, as well as providing scholarships to local students seeking these degrees.
4. JCC should continue to expand its current four-year offering in Business Administration through SUNY Potsdam as well as exploring other programs and partnerships in technology and creative fields.
5. High school educators should expose students to existing local programs as well as work with JCC facility to identify and develop promising new programs in the region.
6. Regularly communicate current needs for skilled employees and expected future needs to area educators and the WIB.
7. Provide guidance to the WIB and other agencies regarding those industries or clusters targeted for recruitment or development by the economic development community.

Goal D. Retrain and reorient the workforce to take advantage of emerging service jobs and strengthen our ability to attract high-technology manufacturers, while addressing the overall wage and skill levels in the region.*

* Denotes priority goal or strategy.

1. Work with employers to identify the specific skills and jobs they expect to need in the future and develop plans to help them meet those needs.*
2. Work with regional economic developers to identify specific industrial clusters that will be targeted for recruitment and development in the future, as part of regional economic development strategies. Develop plans to meet the expected workforce needs of these clusters.*
3. Promote the expected future jobs\skills needs to area educators and workforce members and help coordinate their future dissemination among the student population and general public in the region.*
4. Disseminate future workforce needs data among students, parents, and the community served by each school\institution.*
5. Expand the availability of general technology and workplace “soft skills” training for all students, to prepare them for success in a variety of future careers and industries.*
6. Work with area educators, economic developers, and the WIB to establish in-house or cooperative training programs for existing and potential employees. These can be focused around specific technical skills and\or more general workplace skills.

Goal E. Support the expansion of retail and other business opportunities serving Fort Drum, while aggressively targeting separating soldiers and family members as a source of skilled labor for regional employers.

1. Work with the Fort Drum community to help identify available skills in the spousal workforce and enhance awareness of this workforce pool among local employers.
2. Work with the Fort Drum Army Career and Alumni Program (ACAP) to better track and understand the population of separating soldiers and to encourage them to remain in our area, as employees or entrepreneurs.
3. Work with economic developers and educators to promote the emerging economic opportunities in our region to the Fort Drum population, encouraging soldiers to consider a career here even before they begin the separation process.

Entrepreneurial Opportunities

Entrepreneurs are crucial to economically sound communities. Communities that embrace and support entrepreneurs are typically more stable and do not experience high peaks and valleys in unemployment. This is due in part because “homegrown” companies typically are more loyal to their community as compared to operations that are headquartered elsewhere.

What is desired is not necessarily a program that will support a succession of “Mom and Pop” retail and service businesses, but rather a comprehensive approach to supporting those who

* Denotes priority goal or strategy.

want to start the next successful national company. While small establishments are important to the overall operation of the economy, Jefferson County needs to embrace technology and innovation based start-ups that have the potential for significant growth and wealth creation.

Supporting entrepreneurs in Jefferson County will help to achieve the results outlined in this document. Entrepreneurs generally produce high quality jobs. They generally provide job opportunities for college students and other “knowledge” workers. Also, such businesses will help establish an “entrepreneurial ethic” that can provide the role models and inspiration for local college students to be our future entrepreneurs.

Unfortunately, to date this community has failed to establish an environment that is sufficiently supportive of entrepreneurship. As a result, it is far behind many other communities in this regard. It will take a minimum of 3 to 5 years to build the program support and inertia needed to convince potential entrepreneurs that Jefferson County is a place to start and grow a business.

Goal A. Develop a support network needed to encourage and develop entrepreneurs.*

1. Continue training opportunities through the Small Business Development Center.*
2. Establish a curriculum on entrepreneurship at the various higher education institutions in the area.*
3. Engage business owners to participate in a roundtable/peer network to assist fledgling entrepreneurs. Activities might include mentoring, formalized business plan review, business plan competitions, network events, etc.*
4. Establish entrepreneurial programs in schools to include activities such as case study reviews, speakers/events, business visits, school-based businesses, business plan competitions, etc.*

Goal B. Develop access to capital programs, in particular venture capital.

1. Explore utilization of the Golden Fund based at Clarkson University as a means to fund technology based startups in Jefferson County.
2. Work with Upstate Venture Association of New York to access their venture capital funds for Jefferson County start-ups.
3. Encourage local high net worth individuals to provide venture capital and guidance.

Goal C. Identify new and cutting edge technologies for entrepreneurial opportunities especially in the alternative energy field.

1. Establish relationships with area educational institutions that promote the local commercialization of applied research.

* Denotes priority goal or strategy.

2. Promote and support the use of new technologies in local businesses. Identify ways to foster “intrapreneurism” on the part of existing business operators and managers.
3. Work with organizations like the Metropolitan Development Association to identify and pursue new technology and knowledge based business opportunities in the region.

Economic Resources and Community Infrastructure

Over the past several years, Jefferson County has benefitted from the successful creation of tools and assets necessary to support and enhance private sector economic development. For example, significant acreage has been added to industrial and commerce parks; new forms of financial assistance in the form of loan funds and economic incentives have been developed; and new broadband telecommunications infrastructure has been added in our communities to enhance our business development competitiveness with more densely populated regions.

However, maintaining both the quantity and quality of economic development infrastructure is never a completed task. The ever increasing pace of change in the global economy requires us to constantly evaluate resource and infrastructure needs, and to pursue anticipated requirements and infrastructure improvements well before new demands of the business community are in place.

The following goals and strategies address a full complement of community assets that are required to encourage diversified economic growth over the next several years.

Telecommunications Infrastructure

One of the most important regional public infrastructure projects in recent history has been the creation of a \$20 million Open Access Telecom Network, built and managed by the Development Authority of the North Country. The Open Access Network is a community fiber optic system throughout Jefferson, Lewis, and St. Lawrence Counties with connections to major transmission facilities to the south. This state-of-the-art fiber optic transmission network includes 400 miles of fiber cable and electronic facilities. The system is being leased to private telecommunications service providers that offer end-user services such as dial tone and Internet access.

The Open Access Network model allows the Development Authority to operate the network as a wholesale transport system. The carrier class network provides telecommunications circuits on an equal access and open basis to service providers that will establish retail service relationships in the region.

The project allows the region and Jefferson County to compete for economic development opportunities on an equal footing with the global business community - by providing a cost competitive, state of the art telecommunications backbone. The network will support business expansion and creation, the provision of technology driven educational services, and advances in telemedicine for rural health care delivery. Further, it provides critical redundancy for telecommunications services offered through other north country networks.

Goal A. Facilitate access to DANC’s Open Access Network and other wholesale carrier networks through effective “last mile” solutions.

1. Build wireless capability off the backbone of the network by providing equal and open access to strategic wireless tower and access sites throughout the County in order to provide last mile services to a broad reach of customers in under-served areas where cable/dsl services are currently not available or have a high cost of entry. These wireless tower sites would be backhauled either by DANC’s OATN, or other traditional broadband services (Cable/DSL).
2. Install connectivity equipment at strategic user locations, such as industrial parks, to further facilitate economic development in brown/green field sites. A large amount of growth in recent years has been either outside of municipalities, or in areas that have new or non-existent telecommunications infrastructure. Last mile access has been costly and time consuming to build in these areas. By providing a telecommunications infrastructure that is ready to accept various access methods (in the same manner that water/sewer and other “pre-built” services are offered), another “must have” service can be marketed and made available to potential and existing customers.

Goal B. Market the community’s advanced telecommunications infrastructure to attract targeted business users that will grow and expand job opportunities.

1. Strategically identify business sectors and classifications that would benefit from the configuration and characteristics of Open Access Network. Market and demonstrate the business and quality of life advantages of locating in Jefferson County when coupled with the availability of the state of the art network now in place.
2. Incorporate the Open Access Network in all economic development marketing tools (print, electronic, web-based) for the County. Promote the system as a premier, world class community asset that positions Jefferson County for 21st Century global competitiveness. Profile successful local business ventures that are leasing the network, and as a result, are furthering their business development and growth objectives.

Industrial Real Estate, Transportation, Tourism, and Recreation Infrastructure

The extent and quality of County’s “built” environment obviously plays a fundamental role in sustaining local economic activity and supporting the growth of new business opportunities. To a great extent, our network of roads, highways, water/wastewater utilities, and business expansion sites determine the County’s distribution of population, commerce and employment centers, and future growth areas. The following goals and strategies set forth a direction for managing and improving these resources to encourage sustainable economic development.

Industrial and Corporate Real Estate -

Goal A. Maintain and develop conventional Industrial real estate and community facility infrastructure in strategic locations throughout Jefferson County.

1. Address the future of the City Center Industrial Park . Only 16 acres of developed property remain. Other CCIP issues include moving the existing rail spur to a site which provides better access to park businesses and the development of wooded wetlands within the park boundaries.
2. Study the potential for establishing an industrial park at or adjacent to the Watertown International Airport. The County Legislature has established a joint JCIDA-County ad hoc committee for this purpose.
3. Investigate and proceed, as economically feasible, with providing the airport with public water and sewer.
4. Continuously develop, market, and fill speculative industrial space in area industrial parks.
5. Maintain and keep current a database of available industrial and commercial sites and buildings available on the private real estate market.

Goal B. Complete a strategic analysis of future industrial real estate needs in the County.

1. Maintain a GIS-based map illustrating current industrial sites and potential future industrial sites based on land use, transportation, and utility assets.
2. Develop a plan to establish additional corporate and industrial park space as necessary.

Transportation Infrastructure -

Goal A. Transportation and commuting alternatives should be developed to link new and existing housing concentration areas with employment and commerce centers.

1. Conduct a transportation analysis to identify mass transit and assisted transportation needs for County residents, including the Fort Drum military community.

Goal B. Maintain and improve the Watertown International Airport facilities and service.

1. Develop a plan for increasing annual commercial air service enplanements to 10,000, thereby increasing the FAA entitlement funds to \$1,000,000 per year. Such a plan may include improvements to the airport's facilities, changes in flight schedules, an increase in aircraft size, and/or changes to the destination (hub) airports(s). Develop strategies for attracting Fort Drum-related passengers to fly into and out of Watertown International.
2. Examine the feasibility of attracting a non-federally subsidized commercial air carrier to the airport.
3. Investigate the benefits of establishing a Foreign Trade Zone at the airport.

4. Continue to support efforts to maintain and attract more general aviation activity.

Tourism and Recreation Infrastructure -

Goal A. Assure that highly functional border crossing facilities and policies are present at the Thousand Islands crossing.

1. With new federal border security initiatives, a redevelopment of the Port of Alexandria Bay is in the planning stages. The 2004 New York Border Needs study estimated that \$88.2 million in infrastructure investments are needed at the Thousand Islands entry by 2010. Assuring that Jefferson County's local port-of-entry is highly functional and meets the potential needs of the County is an important goal. While the decisions for border facilities are primary a federal function, advocacy for local needs should be a concern of the County.
2. New identification policies proposed by the Federal Government may lead to passports being required to cross between Jefferson County and Ontario. This could significantly impact retail and hospitality trade in the region. The County should be vigilant and vocal on matters such as the passport policy that will restrict its businesses ability to reach their full potential.

Goal B. Create a plan for border commercial development.

1. Several border communities have had success in exploiting their border location to attract US offices for Canadian companies, or near-border facilities for US companies with trade interests in Canada. Other border related enterprise opportunities may exist that could be attracted with appropriate initiatives. The County should evaluate this potential and create a plan for border related development. The establishment of border region-region economic development roundtables would assist this goal.

Goal C. Develop and implement the Capital Corridor Trade & Tourism Trade Corridor.

1. A plan for the development of a Trade and Tourism Corridor stretching from Ottawa, Ontario to Washington DC is under development through an effort led by the Thousand Islands Bridge Authority. The Corridor will promote the flow of commerce along the route with attendant economic benefits for participating communities. Jefferson County has a lynchpin position in such a corridor and will need to play an active role in assuring its implementation.

Goal D. Facilitate and encourage investment in public and private tourism infrastructure to achieve standards comparable to competing destinations.*

1. Much of Jefferson County's physical tourism infrastructure, such as lodging, dining, and tourism dependent retail\service facilities, suffers from a lack of recent investment in amenity upgrades and adequate maintenance. Today, the traveling public is much more demanding of modern day quality standards to ensure a satisfying experience in

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return for their limited, discretionary funds. Tourism communities and businesses must continually compare the product they offer to other destinations in the region. Local economic developers and tourism promoters should package technical assistance for existing tourism businesses to promote the availability of business plan/capital upgrade services, public and private financing programs, and market research resources to support increased investment.*

Goal E. Determine the feasibility of a multi-modal recreational trail system in Jefferson County through strategic community partnerships.

1. Support the efforts of the County Soil and Water Conservation District and the County Trail Development Coordinator to inventory current trail resources, build public/private coalitions, and identify potential resources and sponsors for trail development, implementation, and maintenance.

Agriculture Real Estate and Infrastructure

Goal A. Assure the availability of a critical mass of agricultural land for farming and agricultural entrepreneurial enterprises.

1. Determine the need for, and implement, necessary farmland protection tools that maintain a critical mass of agricultural land to support dairy, wine, beef, equine, forestry and other agriculture industries.
2. With the development pressure exerted on agriculture in other areas of the United States, existing farm business owners, or those interested in starting their own farm businesses, are seeking suitable locations friendly to farming. Jefferson County should make every effort, and dedicate necessary resources, to market our area as a destination for farm businesses through “Come Farm With Us” or other programs.
3. Incentives and other development tools should be implemented that directly assist farms expanding their current operations or new farm startups.

Goal B. Facilitate and encourage investment in Jefferson County’s Dairy Industry.

1. An ample, high quality milk supply is the basis for a thriving dairy industry. Farms should be encouraged, and necessary tools provided, to invest in their farm infrastructure to increase milk production per cow, improve their return on investment, and return on assets.
2. As fuel prices increase, local and regional markets for milk from farms become increasingly important. Local/regional dairy manufacturers should be encouraged to reinvest in their existing facilities or new facilities and needed resources should be found to assist them.

* Denotes priority goal or strategy.

Goal C. Encourage further development of Agri-Tourism initiatives, such as the Thousand Islands – Seaway Wine Trail.

1. The creation of the Thousand Islands – Seaway Wine Trail presents an opportunity for increased sales of value added agricultural products, and it should be promoted as an agri-tourism destination. Agricultural entrepreneurs should be encouraged to take advantage of the Trail development as an increasing market for their products. Training and resources should be provided for entrepreneurial growth.

Goal D. Support further retention, growth, and promotion of agriculture.

1. Assist farms seeking to improve viability of their business.
2. Assist in adoption and use of new technologies in agricultural production and manufacturing.
3. Strengthen the diversity of the agricultural industry.
4. Maintain and improve communication within and outside the agriculture industry, especially with other industries in Jefferson County.

Alternative Energy Development

It has become abundantly clear that the United States in general and our rural area in particular are extremely susceptible to volatile swings in the energy market. We are far too dependant on fossil fuels imported from some of the most unstable regions in the world and the cruel unpredictability of Mother Nature. Further, experts agree that accelerating energy costs is not a short range problem but one that will be a part of our future. The economic vitality and social fabric of our area will depend in large measure on how we address the issue.

While accelerating energy costs will remain a challenge for the nation, with proper planning, this changing landscape may present an opportunity for our region. We are extremely fortunate to have natural resources that can be used to augment our energy supply and perhaps ameliorate the accelerating energy prices.

Ample opportunities exist for the development of wind, hydro, nuclear, biomass, geothermal and fuel cell technologies. Particularly in the areas of wind and hydro, we are blessed with fine natural attributes. We have thousands of acres of underutilized land suitable for growing biomass feed stocks and even photovoltaics can be used to supplement our energy supply. We must begin immediately to identify, quantify, and promote these opportunities. Initial work has already begun in the areas of hydro, wind and biomass, but much more effort is needed.

With New York State's creation of the Renewable Energy Portfolio (REP) requiring that 25% of the State's energy requirements come from renewable sources in a little over a decade, and the Federal Energy Law creating substantial investment tax credits, it is clear the time for aggressive community action is at hand. We must seize the opportunity to allow for the greatest community return both in terms of economic development and quality of life matters.

Goal A: Develop a comprehensive Alternative Energy Strategic Plan for the County to exploit local energy production advantages related to business opportunities.*

1. Develop a inventory of the County's existing and potential renewable generation capabilities and our distribution assets.*
2. Prepare a regional energy plan that guides policies, programs, asset allocations, conservation efforts in order to present a unified, collective and marketable approach to these matters.*
3. Identify and cultivate energy experts from the private sector, education and government to assist the region in developing a strategy for advancing the notion that we are the Mecca for alternative energy initiatives in Northern New York.*
4. We should position all existing educational outlets, high schools, BOCES and colleges to offer energy level exposure, practical application techniques, and degrees in alternative energy development.*

Public and Private Business Development Financing

Most financing needs of small businesses are being met in the area. However, if it was not for the public sector financing programs, many small businesses would not receive the funding needed. Unfortunately, the public sector has taken on the role of eliminating most of the risk for the private sector financing institutions as well as serving the venture capital needs in the region. The public sector should support projects in a small role, not be the key lender in most small loan projects.

Goal A. Increase competition among private sector lenders.

1. Promote the availability of credit customers to financial institutions in the Syracuse area. Facilitate the entry of new lenders into this market.

Goal B. Promote other lending programs such as those available through the Small Business Administration and United States Department of Agriculture.

1. Have SBA and USDA provide local educational programs about their programs.
2. Encourage other CDC's to work in area for SBA 504 loans.
3. Explore utilization of the Golden Fund based at Clarkson University as a means to fund technology based startups in Jefferson County.
4. Work with Upstate Venture Association of New York to access their venture capital funds for Jefferson County start-ups.

* Denotes priority goal or strategy.

5. Encourage local high net worth individuals to provide venture capital and guidance.

Downtown Revitalization

Jefferson County's urban centers have suffered from a lack of private sector investment in recent decades, as the great majority of commercial development has occurred in regional shopping areas, mainly in the I-81 corridor west of Watertown. Small businesses that remain in the small urban centers struggle to maintain market share and as a result are less likely to invest in their businesses.

Market conditions do not always support the real estate investment needed from the private sector to re-establish vibrant downtowns. Local municipalities must come to understand that public investment is necessary and justified to create the physical environment that will contribute to the long term economic viability of the entire community. There is a high level of underutilization of upper floors in downtown buildings. Code issues, including those related to ADA, advance the cost of rehabilitation that can prevent even the most modest property improvements.

An important segment of downtowns, eating and drinking establishments, sometime suffer from a negative connotation of attracting undesirable activities. Similarly, low and moderate income populations suffer from negative perceptions as potential residents of downtown areas.

Goal A. Improve the appearance and physical condition of the downtowns and village centers in the County.

1. Develop a sense of uniqueness based upon local heritage, access to waterfronts, and architectural character that is unavailable in conventional regional shopping districts. In turn this uniqueness needs to be promoted and celebrated.
2. Develop a more standardized and strategic approach to the reuse of distressed/tax delinquent properties in downtowns, one that doesn't necessitate the satisfaction of tax liens but rather focuses on the return to productive use of such properties.
3. Explore opportunities for code waivers in unique circumstances that will allow for the more economical rehabilitation of downtown buildings.
4. Municipalities should make full use of resources at all levels of government that will allow them to make appropriate investments in downtowns, streetscapes, and public spaces, such as: partnering/cost sharing with the private sector to improve individual buildings (façade programs, tax credit deals, etc.; transportation and parking improvements; and tax abatement programs 485b, 444a, EZ, etc.

Goal B. Develop an entrepreneurial climate in downtown districts.

1. Conduct a variety of market and gap analyses aimed at identifying business opportunities in downtown areas. Promote these opportunities to entrepreneurs.

2. Encourage entrepreneurs to utilize downtown locations by packaging low cost financing tools and incentives.

Goal C. Promote downtowns as locations for business, social, and cultural activity.

1. Develop and embrace the role of downtowns as cultural centers by staging events in conjunction with local cultural organizations – performing arts, festivals, and the like.

Goal D. Educate decision-makers about best practices for downtown redevelopment.

1. Dispel the negative perception of low and moderate income individuals as potential residents in downtown areas by documenting employment demographics of tenants currently in downtown affordable housing. This will allow the use of public sector subsidies to rehabilitate downtown properties, especially upper floors.
2. Continuously educate local government officials about their role in downtown redevelopment and the wide variety of tools available to improve downtown districts.
3. Develop case studies of successful downtown rehabilitation projects that help dispel the myths surrounding project financing tools, the value of affordable housing and the importance of public investment to success.

Government Services and Efficiency

The government and public service sector in Jefferson County plays a significant and multi-faceted role in the economy of Jefferson County. First and most directly, the government sector, including Fort Drum, school districts, state government regional headquarters, and local government, represents the largest employer of County residents.

Fort Drum itself will soon have over 19,000 military and civilian employees. State government employment totals 1,800. Local public education employs roughly 4,200, while non-education local government employs 2,900.

State and local government employees deliver the bulk of local public services. To carry out these services under its current structure the County is comprised of 182 units of government (22 Towns, 20 Villages, 1 City, 11 School Districts, 15 Fire Districts, 34 Special Purpose Districts and 79 Town Special Districts).

Each of these individual units of government requires operating and administrative funds. When viewed individually these costs may not appear significant, but when viewed collectively are substantial. The total cost of government can suppress private investment - and make less income available for other business and personal purchases. It is this last economic influence that presents a compelling opportunity to “re-tool” aspects of local government service delivery to lessen the cost of government.

The services provided by government, such as infrastructure (transportation, water and sewer services, telecommunications, etc.), social services, health care, education and public safety, are integral to a community’s quality of life and the health of its economy. The continued

strength and growth of the local economy is reliant, in part, upon the commitment to public well-being and improvement embodied by the services of many government agencies.

Government's ability to provide quality services at reasonable costs is essential to its support of economic growth. To do so requires government to be responsive to the changing demands and needs of the public, often times with resources that are declining.

The economic development potential for this sector relates to its ability to provide essential community services that can support a viable business climate, while at the same time directing resources into programs designed to support economic development programs. A less tangible, although equally important contribution, is the fundamental impact of this sector on enhancing the overall quality of life in the region.

In order to effectively function as both a provider of essential services and a participant in and supporter of economic development initiatives, governments will need to become more efficient at delivering services, control and reduce the cost of providing services, and develop strategic partnerships at the local, county and regional levels. Communities that participate in regional approaches to economic development and initiatives will have a distinct advantage over those that continue to go it alone.

Goal A. Improve government service delivery in key areas that affect business sustainability and growth prospects.

1. All levels of government need to adopt comprehensive, strategic plans that clearly articulate the community's vision and its strategies for targeting resources and investments toward the enhancement of its quality of life and economic health.
2. Invest in an adequate level of public infrastructure and community development enhancements to maintain and attract a high degree of business investment.
3. Participate with, support, and assist the Fort Drum Regional Liaison Organization (FDRLO).
4. Invest in programs that identify and develop economic leaders, entrepreneurs, and a trained workforce.
5. Enrich the area's supply of equity capital by participating with private lenders to explore ways to establish local venture capital funds.
6. Build local capacity for effectively planning and managing growth pressures to improve the quality and sustainability of new development and business investment.

Goal B. Reasonably minimize the overall cost of local government, and thus the amount of revenue that must be collected by taxing jurisdictions.

1. All levels of government should participate in efforts to study and implement strategies directed toward cooperation, consolidation, shared service delivery and inter-municipal agreements.

2. Coordinate with NYS on changes necessary to address the issues of unfunded mandates and legislative barriers to intergovernmental cooperation. The ability to deliver services in the most cost effective manner may be enhanced if the shifting cost burdens for services from the State to the County and local government levels are stabilized or reduced. County and local government should continue to assist the State in the identification of these situations. Also, if regulatory barriers to intergovernmental cooperation exist, or if current NYS enabling legislation results in or forces duplication in service delivery, the State should work toward appropriate reform.

Goal C. Recognize the importance of regionalism by participating in regional approaches to economic development.

1. Support regional approaches to economic development, such as the Essential New York Initiative, through the commitment of funding, staff resources and other services.

VI.

Evaluation Process

In order to truly become a blueprint for County-wide economic and community development, this Plan must include a workable process for on-going measurement of progress toward the stated objectives.

In past years, the CEDS Committee has completed annual evaluations, or “report cards” to review the community steps taken to implement CEDS priority strategies. This Plan Update proposes a continuation of this process according to the following procedure and schedule.

As detailed in the previous section, a total of six priority goals have been identified as likely to have a significant impact on the Committee’s desired outcomes or “End State” results. These are:

1. Establish a support network for entrepreneurs and new businesses, designed to help them grow and compete successfully.
2. Develop a comprehensive Alternative Energy Strategic Plan for the County to exploit local energy production advantages and related business opportunities.
3. Facilitate and encourage investment in public and private tourism infrastructure to achieve standards comparable to competing destinations.
4. Accommodate and enhance the quality of growth occurring with the 3rd Brigade transformation.
5. Capitalize on the growth of Fort Drum by leveraging business expansion in military/defense-related sectors and non-military sectors.
6. Retrain and reorient the workforce to take advantage of emerging service jobs and strengthen our ability to attract high technology manufacturers, while addressing wage and skill levels in the region.

A total of 31 implementing strategies for these goals were identified in the previous chapter as having “high value” by the Committee. CEDS Lead Agents and supporting partners were also identified for each goal.

Each CEDS Lead Agent will be responsible for working with the supporting partners to identify success measures for the implementing strategies. Then, every September, the CEDS Lead Agent will report back to the CEDS Committee on the level of progress achieved in implementing the strategies. This will form the basis for the annual CEDS Report Card to be completed by the end of each year.

The CEDS Report Card will be distributed to the County Administrator, the Board of Legislators, and each supporting partner.

Also on an annual basis, the CEDS Committee will evaluate its complete list of goals and strategies to add, modify, or delete entries in light of changing economic conditions and opportunities. These changes will, in all likelihood, lead to modifications to the CEDS priority goals and strategies requiring the most aggressive community attention in subsequent years. In addition to providing the economic development community with a mechanism for measuring progress toward objectives, the evaluation process can be used by the County Legislature to aid in funding decisions for economic development initiatives and programs.