SUMMARY
NORTHERN ECONOMIC ZONE MEETING
PLATTSBURGH-NORTH COUNTRY CHAMBER OF COMMERCE
APRIL 23, 2003

Attendees: See Attached List

INTRODUCTION AND STUDY OVERVIEW

Garry Douglas welcomed the meeting participants and provided an update on the Champlain Port of Excellence project. This $107 million project, which will be a model for other border crossings in the United States, will feature phased reconstruction of the entire port of entry. Some site work is being done this year and will be followed by construction of most of the facility in 2004, and a new administration facility in 2005. Mr. Douglas added that $35 million of the project’s estimated cost is already in the President’s budget, dedicated for Phase I.

NEXUS is scheduled to be deployed at this port of entry in August, with the application process starting in June. The FAST program, which is only being deployed at five crossings nation-wide, will also be implemented at Champlain.

Mr. Douglas introduced William Crowell, Project Manager for the I-87 Study. Dr. Crowell introduced the rest of the Study Team, and then provided an overview of the study area, approach, and status. He stated that the Study Corridor has been divided into three economic zones (Northern, Central and Southern), based on economic and geographic similarities. This meeting in Plattsburgh is the first of meetings with representatives of each of the economic zones. These working meetings will help the study team confirm each zone’s economic trends and projections, key growth sectors, economic growth constraints, and the most important transportation initiatives needed to support the zone’s growth goals.

Data on economic and population trends in the area in recent decades, and possible near-term (2010) employment projections were then briefly presented and discussed. These included the following (copy of meeting handouts is included with this memo):

NORTH COUNTRY RECENT TRENDS AND NEAR-TERM PROJECTIONS

<table>
<thead>
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<tbody>
<tr>
<td>% Growth</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>New York State</td>
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<tr>
<td>Corridor</td>
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<td>Northern Zone</td>
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Population and Employment Projections 2000-2010

<table>
<thead>
<tr>
<th>Population</th>
<th>Employment</th>
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<tbody>
<tr>
<td>Northern Zone</td>
<td></td>
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<tr>
<td>4%</td>
<td>10%</td>
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North Country Employment by Sector

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<tbody>
<tr>
<td>Agriculture/Mining/Construct./Transport./Commun./Utilities</td>
<td>47%</td>
<td>8%</td>
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<tr>
<td>Manufacturing</td>
<td>-9%</td>
<td>-3%</td>
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<tr>
<td>Wholesale/Retail</td>
<td>45%</td>
<td>10%</td>
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<tr>
<td>F.I.R.E.</td>
<td>63%</td>
<td>14%</td>
</tr>
<tr>
<td>Government</td>
<td>2%</td>
<td>12%</td>
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</tbody>
</table>

Several attendees questioned some of the recent trend numbers, especially recent and projected trends in manufacturing. A list of major employers in each of the zone’s four counties was then presented. It was agreed that the team would re-check the employment trend numbers, and would consult with SUNY’s Technical Assistance Center for an accurate, current listing of key employers in the northern section of the I-87 corridor study.

OPEN DISCUSSION OF NORTH COUNTRY ISSUES AND INITIATIVES

Dr. Crowell led the group in a discussion of economic development issues and patterns in the northern zone. The following is a summary of the results of those discussions:

Local Growth Industries
- Manufacturing growth trends in the North Country have bucked the NYS and national trend by increasing in recent years. Major industries include paper, health care products/pharmaceuticals, and transportation equipment.
- Construction has been influenced by expanded border investment and in increased housing starts and reconstruction/rehabilitation of existing housing.
- The health service industry is growing. Hospitals are major employers in the region.
- Tourism is an important part of the economy, though lack of lodging choices (especially chains, suite hotels, and upscale accommodations) is a constraint.
- The State’s Department of Correctional Services (DOCS) is a large employer in the region. The Essex County correctional facility closure will displace a significant number of workers.
- The number of Federal border workers and border support services is on the rise.
- Employment in the agricultural, utilities, and mining sectors remain flat.

Border Issues
- NAFTA employment regulations can restrict employment somewhat in the area (i.e., Canadian nurses are free to work in the U.S. but doctors are not)
- Stricter import regulations on the U.S. side (e.g., “24-hour” rule) encourage shippers to enter via Canadian ports and then bring into the US via the Champlain crossing and others.
- North Country’s location near the border makes it an attractive to businesses, both American and Canadian. Much of the growth in the North Country has been by Canadian firms.
- Directional trade imbalance (goods are imported by the US but do not flow back north at nearly the same rate)
- North Country must accommodate the multicultural/bilingual reality of its location. Have more signs in French.

**Roadway/Infrastructure Issues**
- Highway access/regional connections other than I-87: The Northway works well, but no other north-south or east-west highways exist. It was stated that a four-lane east-west highway would not boost the North Country’s economy because the main travel patterns are north-south. However, an east-west connector road from Champlain to the crossing points into Vermont would be useful.
- Super truck stops with the full range of services and amenities are needed to serve the corridor.
- Truck wayfaring: impact to local roads/communities along route to ferries; awareness of ferries as a viable transportation option; reliability, cost, and trip length compared to highway route.
- Route 73 and other scenic roadways in the North Country: Availability of scenic pull-offs along the roadways would minimize accidents and improve tourists’ experience.
- Roadways, and particularly I-87, have been well maintained but many of the bridges were constructed more than 40 years ago and are reaching the end of their useful life spans.
- ITS/Smart Highways: travelers would benefit from information regarding, weather-related road conditions, road closures, alternate routes, etc. Need to integrate bilingual signs beyond the immediate Plattsburgh area and to make all ITS components bilingual-friendly.

**Airport Issues**
- Access to existing national and international airport facilities is difficult.
- The availability of affordable and convenient air travel from a local facility would facilitate economic development. Lack of convenient air service has already prevented firms from locating to the area.
- Development of the Plattsburgh International Airport is a critical growth component.
- The ability to market Lake Placid and other area tourist sites for major conferences, events and retreats is currently limited by distance to Burlington, VT and Montreal airports exceed the normally required one-hour range. Better airport in Plattsburgh could make the difference.

**Rail Issues**
- Reliability of service and predictability of schedule are important factors in mode choice (truck vs. rail).
- Need to improve vertical clearances and other aspects of the CP line infrastructure to make double-stacked container trains possible.
- Need improved port connectivity to Montreal.
- Need for double tracking/sidings to avoid delays by freight and passenger trains.
- Alternative alignment – the study should consider this, particularly for passenger service, although there are constraints.
- Compatibility of FRA and Canadian regulations on train service and operations.
- Separation of freight and passenger rail service – necessary to make high-speed rail possible.
- Delays at border (slowly improving)
- Importance of rail freight for manufacturing (esp. paper) and agricultural sectors.
• Highway/rail balance
• High speed rail options (e.g., maglev)

**Waterborne Freight & Ferry Issues**
- Ferry connections across Lake Champlain (one million passengers annually): A connector road from I-87 to the Plattsburgh ferry is needed to provide safe access for trucks and passenger cars.
- There is no public dock access for Canadian boaters to comply with Customs regulations.
- Need bi-lingual information regarding such issues as boater regulations, ferry locations, etc.
- Impact of container port in Montreal on North-South commodity flow (high amount of product destined for US)
- The importance of the Port of Montreal to the area was stressed. Garry Douglas offered to arrange a tour of the facility and suggested that the trade trends between Quebec and New York be incorporated into the study. The Department of Commerce was suggested as a reference source.

**Commuter/Mass Transit Issues**
- There is a lack of mass transit or park & ride opportunities in the region.
- Alternatives to single occupancy vehicles are scarce.
- Businesses, especially large regional employers, need adequate employee parking.

**FACTORS THAT CONSTRAIN AND PROMOTE GROWTH IN THE NORTH COUNTRY:**

**General Growth Constraints**
- Limited pool of skilled workers for high-tech and manufacturing jobs. AF Base closure worsened this to some extent.
- Lack of infrastructure is an impediment for access to rural and outlying portions of the counties (i.e. aging water and sewer lines)
- Seasonal nature of workers (Positions are filled by students during the summer and winter breaks, and then vacated once school is back in session. There is a move to hire early/semi-retired workers who are available year-round.)
- Lack of fiber optics/high-tech infrastructure (though some progress has been made in this regard)
- Limitations (real or perceived) to development within the “Blue Line” of Adirondack Park. No manufacturing-types things are possible to some things can be done.
- Climate can be constraint for some industries.
- Limited availability of natural gas for the areas between Glens Falls and Plattsburgh
- Displacement of workers to other higher wage paying companies/locations (Albany/Vermont/Canada)
- Lack of private development capital

**General Growth Promoters**
- Local stakeholders are proactive with development activities
- Good availability of development sites; brownfields are not an issue
- Availability of semi-retired/displaced workers
- Low electricity costs
- Competitive wages
- Economic development programs/Empire Zones
• Great north/south access
• Link to Greater Montreal, Port of Montreal and other elements of the Canadian economy

**Most Important Transportation Initiatives**

• Complete development of former AF Base to Plattsburgh International Airport with expanded passenger service.
• Complete funding and construction of Port of Excellence project
• Continued implementation and expansion of NEXUX and FAST.
• CP rail line improvements
• Improved reliability of passenger rail service
• Better connector roadways to/from Plattsburgh ferry terminals.
• ITS/Smart Highway concepts + bi-lingual signage not just near the border but further south as well.
• Improvements to certain tourist routes, including Rt. 73 to Lake Placid (scenic bypass lanes) and maintenance to Lake Champlain Bridge-Chimney Point crossing to Vermont.
• Mass transit park-‘n-ride – more formally set up than present unofficial park-‘n-ride activities and facilities.
• Improved truck rest stop facilities.