



To: New York State Division of the Budget

From: Garry F. Douglas, President and CEO
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Re: Economic Development Budget for 2008-09

BACKGROUND:

The Plattsburgh-North Country Chamber of Commerce is the largest business and economic development alliance in northern New York and one of the five largest chambers in the state, representing more than 3,250 companies and organizations in Clinton, Essex, Franklin and northern Warren Counties. In addition to playing a leading strategic and marketing role in economic development in the North Country region, we also coordinate the Quebec-New York Corridor Coalition (a broad, bi-national partnership of public and private interests dedicated to economic development in the region from Montreal to New York City); serve as the marketing and development agency for Plattsburgh International Airport; act as an officially designated Tourism Promotion Agency under the I Love NY program; and serve on the Steering Committee of New York's Tech Valley.

In our multi-faceted endeavors on behalf of the broad North Country region of New York, we have engaged actively and enthusiastically in the Governor's development of a new strategy for upstate economic development.

As the Governor's proposed budget for state economic development activities is finalized for 2008-09, we are confident that adequate resources will be provided for implementation of the Regional Blueprints -- not only because we know the depth of the Governor's commitment to a new upstate strategy but because the economic rebirth of upstate is crucial to growing New York State out of its current economic and budgetary challenges. An inadequate investment in these comprehensive new strategies at this juncture would sentence upstate to general stagnation and under-performance at best, and decline at worst.

While adequate resources for each of the regional blueprints is our overarching request, we welcome the opportunity to also highlight the following crucial elements of an effective economic development for the next fiscal year.

INTERNATIONAL --

New York has one of the most valuable "brands" in the world, but a good brand must be backed up with sustained salesmanship and action -- especially if we are serious about competing globally, as we must be.

To this end, there must be a substantial increase in funding for New York's international division. This should include:

- * Serious support for economic development marketing endeavors, in partnership with committed economic developers and companies in the state, in Canada as target #1 given its location, it's continued status as our top source of international business, and the current advantages of the exchange rate.
- * Increased professional staffing of New York's international offices in Canada, Europe, Asia and elsewhere.
- * Increased funding for a meaningful New York State presence at targeted international marketing events related to key sectors. For example, international aerospace events such as Farnborough and Paris.

ADMINISTRATION/OPERATIONS:

Strong and professional regional offices for Empire State Development will be crucial to the implementation of the Regional Blueprints. Regional office staffing must be bolstered through the recruitment of additional support staff with skills related to general needs but also to particular regional opportunities and priorities. Flexibility should exist for Empire State Development and its regional offices to consider outsourcing/contracting certain marketing and development activities where appropriate as a means of building partnership and stretching resources.

The already minimal state resources committed to Empire Zone marketing and administration should be continued at this time.

TOURISM DEVELOPMENT AND MARKETING:

The current funding levels for I Love NY matching grants to counties and regions must be sustained, at a minimum. Particularly in sync with the Governor's commitment to regionality and local partnership in all areas of economic development, we must maintain the baseline support for grassroots marketing and development, looking to build from there to the degree that state resources permit in the coming years.

One of the key targets identified by a network of local TPA's led by the Plattsburgh-North Country Chamber of Commerce is fishing -- an enormous opportunity for tourism development across our state which has been underdeveloped and promoted. We have prepared and submitted a White Paper to Empire State Development, recommending an initial investment of \$3 million in state I Love NY funding in 2008-09 for the support of a statewide fishing strategy. A copy of this White Paper is attached.

INFRASTRUCTURE:

New York has always understood even more than most states the direct connection between strategic infrastructure and the creation of prosperity. The Regional Blueprints have identified priority infrastructure investments required across upstate, and it is critical that relevant parts of the next State Budget begin to earnestly target these projects (Economic Development, Transportation, etc.).

In the North Country region of New York, we would highlight the following in particular:

- * **BROADBAND:** It is important that the next budget adequately fund the Governor's Universal Broadband Initiative as a key infrastructure component upstate. Projects are ready to move -- including one which would cover our three-county region -- but state investment is now needed on a substantial scale.
- * **ADIRONDACK RAILROAD:** The next budget must release the impounded \$2.5 million in the 2007-08 budget for rehabilitation of the Adirondack rail line between Saranac Lake and Tupper Lake, and must follow through on provision of the \$2.5 million to adequately fund this \$5 million strategic investment in the last remaining major rail infrastructure to Lake Placid and the central Adirondacks. An outline of the importance of this pending investment is attached.
- * **PLATTSBURGH INTERNATIONAL AIRPORT:** This is the centerpiece of economic development in the North Country region, both in terms of aerospace and air service. Further state investment in its infrastructure is vital in 2008-09.
- * **OLYMPIC REGIONAL DEVELOPMENT AUTHORITY:** The sports venues operated by ORDA in the Lake Placid area are also in great need of additional investment for upgrades to secure their continued role in our regional economy and New York State's future role in international sports.

CONCLUSION:

The Plattsburgh-North Country Chamber of Commerce appreciates the opportunity to provide these thoughts and comments, and would be pleased to answer any questions or to submit additional information if that would be helpful.

With the Regional Blueprints and the resulting Upstate Strategy, we have the plan, the direction, the teamwork and the readiness to move boldly forward. The next ingredient is adequate -- indeed, given the stakes, aggressive -- funding.

Onward and upward!

Garry F. Douglas
President and CEO
Plattsburgh-North Country Chamber of Commerce

Attachments: 1) Reel Big Fish: A Statewide Fishing Trail White Paper
2) Adirondack Railroad: On Track for the Future