

Saranac Lake Region

Comprehensive Economic Development Strategy

Prepared for:

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Town of Harrietstown
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Saranac Lake Region Comprehensive Economic Development Strategy

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Executive Summary

The Comprehensive Economic Development Strategy (CEDS) for the Saranac Lake region was developed through the Village of Saranac Lake Office of Community Development with support from its Economic Development Advisory Committee. The objective of the CEDS was to build on the prior planning efforts of the Saranac Lake Area Chamber of Commerce and Red Carpet Team to establish economic development goals and related initiatives, programs and policies that support a new vision for the region's future.

The project work plan included the following tasks:

- A review of relevant plans, reports and studies;
- An analysis of demographic, economic and labor force trends;
- Development, distribution and analysis of a summer visitor survey;
- A retail market analysis;
- An assessment of major market opportunities;
- A review of potential areas for redevelopment and investment in the region;
- Interviews with local stakeholders and experts;
- Development and understanding of regional strengths, weaknesses, opportunities and threats; and
- Formulation of economic development initiatives and a community vision for its economic future.

Based on the findings of the project, the following market opportunities have been identified for the Saranac Lake region. These opportunities are accompanied by a number of economic development initiatives.

Long-Term Opportunities

Environmental Enterprises - One of the most significant opportunities for economic transformation is to establish the region as a center for applied environmental science, business and commercial product development. This opportunity will advance the interests and potential partnerships with the numerous college and university programs located within a 50 mile radius of Saranac Lake. Furthermore, the state and not-for-profit organizations are already conducting or funding environmental research and preservation projects. This opportunity involves a number of critical steps, including establishing public-private partnerships that will ultimately lead to the commercialization of products and services resulting from environmental science research. This ultimately will promote the Saranac Lake region as a center of activity that advances the community's environmental values, while contributing to local economic transformation.

Biological Enterprises - The second long-term opportunity for the region involves building on the existing cluster of biological-science businesses and research facilities already located in the immediate Saranac Lake area. These entities include Trudeau Institute, Bionique/Safe Cell and a number of spin-offs resulting from the relocation of Serologicals. This opportunity is similar to the environmental science research concept detailed above in that it involves the creation of public-private partnerships to advance research that may

ultimately lead to the development of new products. In addition, this opportunity is further supported by the recently established NY Loves Bio initiative.

Short-Term Opportunities

The region also has a number of near term opportunities that can be developed. Although these opportunities are not expected to be major drivers of economic transformation, they can contribute to the tax base and provide employment for area residents.

Tourism – The region is a clear and distinctive destination for arts, history and culture travelers. Its significant mountain terrain, forests and waterways have attracted visitors that participate in hiking, camping, boating, fishing, and hunting. While the region was once a leading destination, it has been faced with competition from other developing areas including Vermont and the Berkshire Mountains of Massachusetts. These locations have developed cultural attractions and have seen significant private investment in modern lodging and other tourism facilities. The Saranac Lake regional arts and historic community provides an opportunity for the region to greatly enhance what it has to offer, and to effectively compete as a tourist destination.

Retail Center – The Saranac Lake area is currently serving as a local micro retail center for North Country residents. In fact, North Country residents traveling to the Saranac Lake area spend considerably more per day than other visitors (see table on page 14). These residents, which come from communities as far away as Long Lake, Piercefild and Keene, consider Saranac Lake their retail center because others areas such as Plattsburgh and Glens Falls are too distant.

The sales leakage analysis indicates that local resident retail spending outside of the trade area is currently being offset by visitor spending. However, this data indicates that with further retail offerings the region could capture additional retail sales from permanent residents and visitors.

Professional Services / Office Space - consistent with national trends, several professional service sectors are anticipated to grow over the next several years. While these projections do not represent a significant gain, an existing limited supply of Class A and B office space in the region, combined with its central location in the tri-lakes area, offers an opportunity for the Saranac Lake region to become an affordable location for new and growing professional service businesses.

Saranac Lake Region Vision Statement

The vision represents a new and innovative direction for the region. Ultimately it is the region's objective to support the creation of meaningful job opportunities for permanent residents and their children, as well as to rebuild a commercial tax base that supports public services and reduces the residential property tax burden.

Based on the region's strengths and development opportunities, the Economic Development Advisory Committee established the following vision statement:

“The greater Saranac Lake region of the Adirondacks is poised to become a distinguished location for environmental and biological based businesses. The region will become home to an increasing number of private businesses engaged in the development of products and services to fill the needs of a global, knowledge-based economy. Skilled employment opportunities for residents will be supported by well planned business locations, quality office space, world-class telecommunications and broadband infrastructure and a superb quality of life. Along with a unique mountain lifestyle, supporting health and wellness industries, the region will offer quality housing; a downtown with extensive retail shopping; arts, entertainment, cultural venues; and enjoyable public areas.”

Economic Development Initiatives

To achieve its vision, the Economic Development Advisory Committee has established the following goals and objectives:

Business Attraction

- Develop a Micro-Enterprise Program that Supports Entrepreneurs in Downtown Saranac Lake
- Develop a Target Retail List and Design and Develop Marketing Material
- Further Explore the Feasibility of the Region as a Location for an Applied Environmental/Biological Science Corridor
- Identify or Develop a Seed Capital Revolving Loan and Equity Fund to Support New Business Development
- Re-Brand the Saranac Lake Region as an Applied Environmental/Science Hub
- Develop Marketing and Operating Plans for the Harrietstown Industrial Park

Business Retention & Expansion

- Develop a Formal Business Retention & Expansion Program

Commercial Redevelopment

- Complete Comprehensive Plan Update and Zoning Revisions to Accommodate All Identified Development Plans
- Create a Commercial Building Improvement Program (CBIP) for Interior Commercial Space Investment
- Develop and Secure Funding for a Lodging Improvement Program to Improve the Quality of Existing Facilities
- Promote Private Investment in the Development/Redevelopment of Underutilized Target Areas

Tourism Marketing & Visitor Attraction

- Develop a Marketing Strategy That Targets the Key Tourism Market Segments
- Develop and Implement a Signage Plan to Improve Signage for Visitor Venues Including Arts, Cultural and Outdoor Attractions

- Encourage Investment in Existing Arts, Historic, Cultural and Entertainment Attractions
- Explore a Regional Marketing Campaign with Lake Placid and Tupper Lake

Housing

- Promote Mixed-Use Development in Downtown Saranac Lake; Promote New Housing on Upper Floors of Commercial Properties
- Identify Vacant and Underutilized Parcels and Buildings for New Market Rate and/or Workforce Residential Housing Development
- Modify Zoning to Require Combinations of Market Rate, Workforce, and Affordable Housing in New Developments.

Quality of Place Improvements

- Develop a Saranac Lake Downtown Streetscape Redevelopment Plan
- Aggressively Implement the Local Waterfront Revitalization Plan (LWRP) to Improve Recreational Opportunities and the Attractiveness of the Area
- Implement State-of-the-Art Telecommunications including Open-access Broadband Network Connectivity for Voice, Video, and High-speed Broadband Services and the Development of a Downtown Wireless Network
- Develop Appropriate Property Maintenance Regulations and Code Enforcement Efforts.

Organizational Support for Initiatives

- Establish a Local Development Corporation (LDC), which provides a mechanism for Property Assembly, Ownership and Development
- Identify and Secure a Leader to Facilitate Development of the Environmental Research/Science Concept
- Identify and Select a Board Experienced and Networked with Private Environmental Businesses, Research, Economic Development and Government Agencies

Introduction

Funded by a Quality Communities grant from the New York State Department of State, the Saranac Lake regional Comprehensive Economic Development Strategy was developed to address the area's needs by identifying potential opportunities for economic growth and providing a foundation for future initiatives to be completed by community leaders.

The approach to this project was based on the consultant's belief that a successful economic development strategy requires an understanding of the market conditions and demographic trends that influence the local economy. The completion of a market analysis enables communities to identify opportunities for economic growth based on such factors as the existing business mix, resident purchasing power and consumer spending patterns, and local and regional economic trends. By understanding – and capitalizing on – market opportunities, practical strategies for community revitalization can be established. The scope of work for this project therefore included research regarding demographic, economic, and market trends, the desires of area residents and visitors, and opportunities to stimulate business growth and job creation.

The development of this plan involved a wide range of public input. A summer visitor survey was distributed that received approximately 360 responses. This survey remained on-line for a subsequent data gathering period to provide further analysis by the community.

An Economic Development Advisory Committee guided the development of the strategy. Camoin Associates held meetings with the committee to discuss and refine the scope of work, present and discuss interim findings, discuss the region's strengths, opportunities, weaknesses and threats, and ultimately evaluate economic development initiatives. The committee is composed of leaders who represent a cross-section of the community. The committee will continue to play an important role by overseeing the implementation of the economic development strategy.

Economic Development Advisory Committee Members

Core Members

Government Affiliates

- **Debbie McDonnell:** Director of Community Development, Village of Saranac Lake
- **Thomas Michael:** Mayor, Village of Saranac Lake
- **Larry Miller:** Supervisor, Town of Harrietstown

Non-Profit Affiliates

- **Steve Erman:** Economic Advisor, Adirondack Park Agency
- **Terry Martino:** Executive Director, Adirondack North Country Association
- **Megan Murphy:** Grant Writer & Administrator, Adirondack Medical Center

Business Affiliates

- **Jack Drury:** Owner, Real World Learning
- **Al Dunham:** Owner, Trails End Cottages
- **Cathy Moore:** Publisher, Adirondack Daily Enterprise

Citizen Advisory

- **Jamie Konkoski:** Member, Save Saranac Lake Coalition
- **Web Parker:** Private affiliation
- **Keith Wells:** President, Red Carpet Team

Camoin Associates Contributing Staff

Thomas Leitz, Economic Development Specialist, conducted much of the primary research for this study, drafted the initial report and served as the project manager. Robert J. Camoin served as the Principal in Charge.

Review Team

Government Affiliates

- **Scott Amo:** Superintendent, Saranac Lake Central School District
- **Chuck Damp:** Councilman, Town of North Elba
- **Derek Doty:** Councilman, Town of North Elba
- **Joyce Morency:** Supervisor, Town of St. Armand

Non-Profit Affiliates

- **Greg Hill:** Community Specialist, Adirondack North Country Association
- **Hillarie Logan-Duchene:** Director of Institutional Advancement, Paul Smith's College
- **Bruce O'Dell:** Manager, Hotel Saranac of Paul Smith's College
- **Joe Riccio:** Community Relations Specialist, Adirondack Medical Center
- **Gail Rogers Rice:** President, North Country Community College

Business Affiliates

- **Bo Singh:** Vice-President, Adirondack Bank
- **Bryon Tuthill:** Branch Manager, Tupper Lake National Bank
- **Sylvie Nelson:** Executive Director, Saranac Lake Area Chamber of Commerce

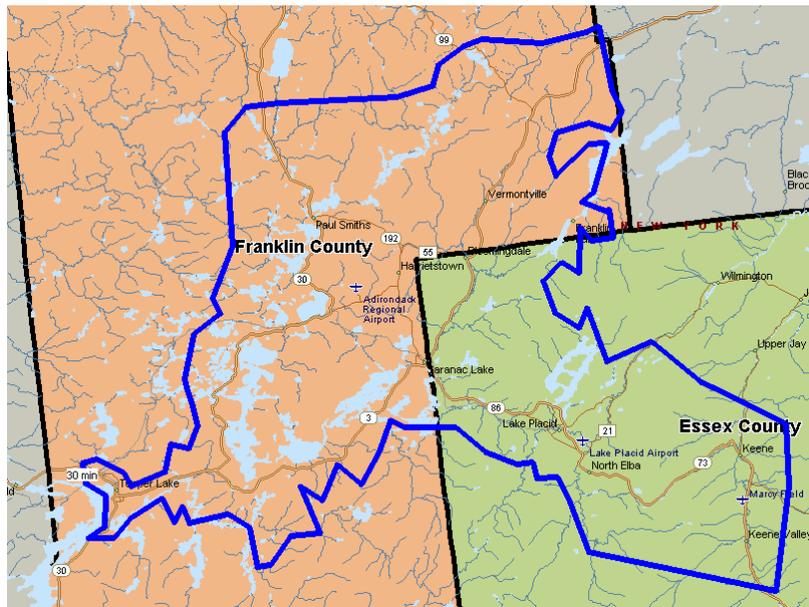
Demographic Trends

The Village of Saranac Lake, which is split between Franklin and Essex Counties, is located approximately 5 miles to the northwest of Lake Placid and 20 miles east of Tupper Lake. Together, the three municipalities comprise what is commonly known as the tri-lakes area. The area is located within the Adirondack State Park Preserve, which has significant economic development implications (to be discussed later).

During the course of this analysis, data will be depicted for the Saranac Lake trade area, which is intended to represent most of the retail spending captured by local businesses. It takes into account a number of factors including the location of competing shopping areas and their markets, driving distances, and natural features, such as major waterways that impact transportation access and thus influence where people shop and dine.

Some analysts rely on a definition that encompasses the geography within a certain radius of a community. However, this approach does not work well in rural areas, because it does not reflect the actual location of roadways, and population densities are often very low.

The approximate boundaries of the Saranac Lake trade area (see map at left) were drawn based on discussions with Village staff and the committee. These boundaries take into account “pull” from shopping areas in the City of Plattsburgh, as well as the areas located within a 30-minute drive of Saranac Lake, as determined by a mapping program. The trade area captures the Village of Tupper Lake, the Village of Lake Placid, and the Town of Keene Valley. Trade area data and forecasts were obtained through ESRI, a leading national provider of demographic and economic information (www.esri.com/bao).



Demographics and Consumer Spending

Demographics are analyzed in this section because changing demographic patterns have a significant impact on housing demand and consumer spending and continually transform the retail marketplace. Ultimately, demographic trends will impact the commercial district in Saranac Lake. Understanding the demographic trends within the trade area, both currently and in the not-too-distant future, is critical to developing effective strategies for business development.

Historical Population Trends

Over the long term, the Village of Saranac Lake has been losing population. In 1970, the Village’s population was 6,086 individuals. However, this figure steadily declined in every decennial census to reach a low of 5,041 individuals in 2000. Since 1970, the Village has lost 17.3% of its population.

As shown in the chart above, the opposite trend has occurred in both Franklin and Essex Counties. Over the very long-term, these counties have steadily gained population since 1900. Since 1970, each county has experienced significant population growth. In comparison, the total population for New York State increased by 4.1% during this same time period. Further, those counties encompassing the North Country region (Clinton, Essex, Franklin, Hamilton, Jefferson, Lewis, and St. Lawrence Counties), experienced 13.8% population growth during this time period.

Historical Population: Saranac Lake Area			
Year	Village of Saranac Lake	Essex County	Franklin County
1900	N/A	30,707	42,853
1910	N/A	33,458	45,717
1920	N/A	31,871	43,541
1930	N/A	33,959	45,694
1940	N/A	34,178	44,286
1950	N/A	35,086	44,830
1960	N/A	35,300	44,742
1970	6,086	34,631	43,931
1980	5,578	36,176	44,929
1990	5,377	37,152	46,540
2000	5,041	38,851	51,134
% Change: 1970 - 2000	-17.2%	12.2%	16.4%

Recent Trends

Since 2000, population in both the Village of Saranac Lake and the trade area has been stable. Both the Village and trade area experienced very mild population declines from 2000 to 2005. However, this trend is expected to reverse in the short term.

Population Trends: Saranac Lake Region				
Population	Village of Saranac Lake	Trade Area	Essex County	Franklin County
2000	5,041	22,186	38,851	51,083
2005 (Est.)	4,970	22,117	39,868	50,149
2010 (Forecast)	5,036	22,378	40,489	50,593
Growth: 2000 - 2005	-1.4%	-0.4%	2.6%	-1.8%
Growth: 2005 - 2010	0.1%	0.8%	1.6%	0.9%
Growth: 2000 - 2010	-1.3%	0.8%	4.2%	-1.0%

Source: ESRI, Camoin Associates

population growth from 2000 to 2005, and the County’s population is expected to increase a further 1.6% from 2005 to 2010.

Similar to many communities in the Adirondacks, the Saranac Lake trade area has a significant number of seasonal residents. As of 2005, the trade area had an estimated 11,944 housing units. Approximately 20% of these housing units are seasonal residences. Although statistics are not available, CA estimates these seasonal homes currently represent a further 6,272 individuals. By 2010, this figure is forecast to increase by 0.9%, to 6,327 individuals. It is important to note that these residents are not captured in the trade area population statistics cited above.

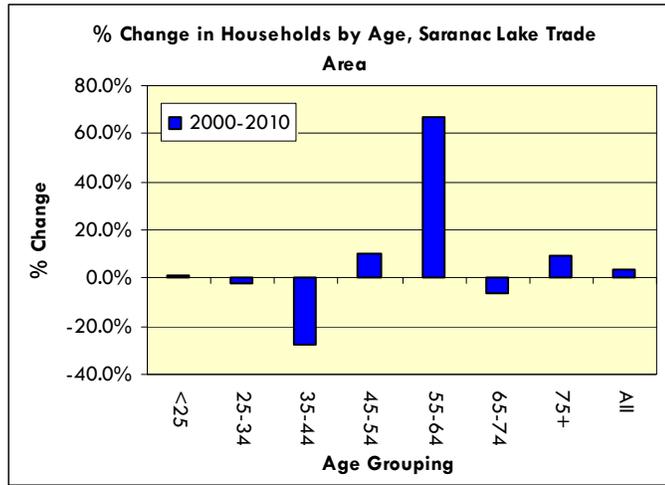
It is believed that many seasonal property owners do not live within the greater “North Country” region and have above-average income levels. Some of these property owners may become year-round residents as they reach the age of retirement. Studies suggest that seasonal residents tend to spend *more* on fine dining, specialty retailing, and entertainment than permanent residents (because they have more discretionary income), but considerably *less* on special events and tourist attractions than overnight visitors. Seasonal residents also represent a potential target market for participation in recreational activities. These individuals will be discussed in more detail when the consumer spending data is presented.

Household Age

Household Age: Saranac Lake Trade Area				
Age Cohort	2000	2005	2010	Change: 2000 - 2010
Under 25	489	533	494	5
25 - 34	1,256	1,152	1,224	-32
35 - 44	1,861	1,583	1,350	-511
45 - 54	1,771	1,949	1,945	174
55 - 64	983	1,266	1,637	654
65 - 74	998	934	938	-60
75 and over	1,052	1,121	1,154	102
All Households	8,410	8,538	8,742	332

Source: U.S. Census Bureau, ESRI, and Camoin Associates.

The chart above shows trends in the age distribution of households in the Saranac Lake trade area. Currently, households between the age of 35-44 and 45-54 comprise the largest age cohorts. The 45-54 year age cohort is particularly important, because a typical household headed by a person aged 45-54 spends more, on average, than other households. Further, households headed by individuals between the ages of 35 and 54 spend more than *all other* households combined.



The chart to the above shows the changes in household age for the trade area. Since year 2000, households have become increasingly concentrated in the 55-64 year age group. While the important 45-54 year age group experienced growth from 2000 – 2005, ESRI predicts that this age group will remain stable until 2010. Further, the 35-44 year age group is expected to decline. The implications of this will be discussed further in the retail market section of this report.

Household Income

Household incomes for individuals living within the Village of Saranac Lake have consistently lagged behind median household incomes for the trade area and both Essex and Franklin counties. Although median household incomes grew significantly faster within the Village than the comparison regions from 2000 to 2005, ESRI forecasts that this trend will not continue between 2005 and 2010. The trade area median household income is similar to income levels in the North Country overall, where the 2000 median household income was \$33,937.

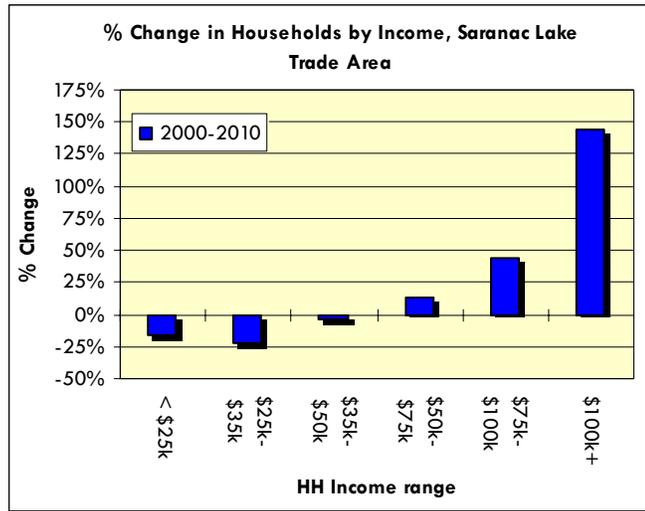
Median Household Income: Saranac Lake region				
Year	Trade area	Village	Essex County	Franklin County
2000	\$34,617	\$29,665	\$34,814	\$31,531
2005	\$38,993	\$35,381	\$39,297	\$35,858
2010	\$43,733	\$39,253	\$43,793	\$39,833
% Change: 2000-2005	12.6%	19.3%	12.9%	13.7%
% Change: 2005-2010	12.2%	10.9%	11.4%	11.1%

Source: U.S. Census Bureau, ESRI, and Camoin Associates.

In comparison to New York State (NYS), household incomes in the Saranac Lake region are significantly lower. For NYS, the estimated 2005 median household income was \$49,207 – this figure is 39.1% higher than the estimate for the Village of Saranac Lake and 26.2% higher than the trade area estimate. However, median household incomes are

forecast to grow 11.6% from 2005-2010 within NYS, similar to income growth levels forecast for the Saranac Lake region.

The graphic above shows trends in the numbers of households by income levels. The prevailing trends that occurred from 2000 – 2005 are forecast to continue in the future. Overall, households are becoming increasingly less concentrated within the lower income brackets, while becoming significantly more concentrated within the highest income bracket. From 2000 to 2010, the number of households earning over \$100,000 per year is forecast to increase by 144%. ESRI also forecasts robust growth – 44.1% from 2000 to 2010 - in the number of households earning \$50,000 per year or more. During this same time period, the number of households earning less than \$50,000 is forecast to decline by 13.9%.



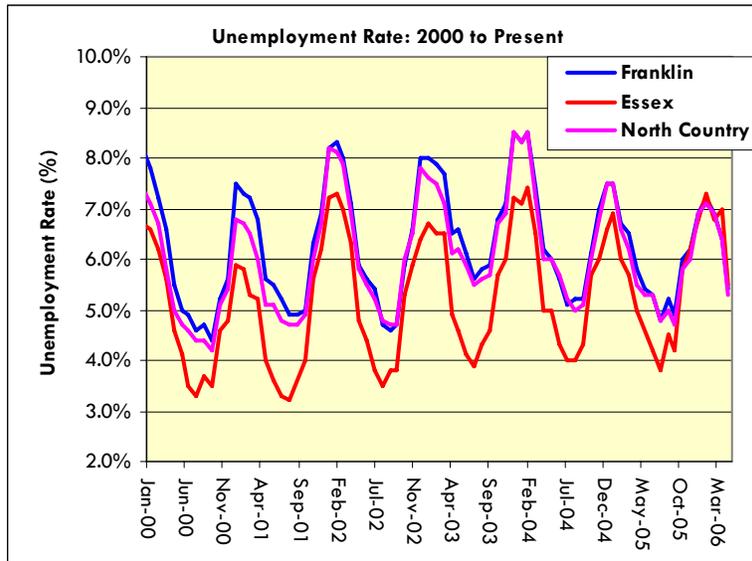
Based on this information, it is clear that the growth in household income is largely due to migration, as opposed to wage growth.

Conclusions

- After many years of decline, the population within the Village of Saranac Lake is forecast to stabilize at approximately 5,000 individuals. The trade area population is also forecast to remain stable.
- Income levels within the Village, trade area, and both Franklin and Essex Counties remain significantly lower than NYS average income levels. However, forecasted income growth is on par with statewide averages.
- The Village and trade area populations are increasingly becoming concentrated in higher income brackets. Although data are not available, it is believed that this trend is related to high income seasonal residents retiring in the region (and thus becoming permanent residents). As such, the growth in the number of high income individuals is likely the result of migration, rather than wage increases for permanent (working) residents.
- Although the region has experienced an increase in higher income individuals – and this trend is forecast to continue until 2010 – the trends with respect to population age cohorts are not favorable with respect to consumer demand. The critical 35-44 and 45-54 year age cohorts, taken together, declined from 2000 to 2005. This trend is forecast to continue through 2010.

- There has been robust population growth in the 55-64 year age group. However, these individuals tend to spend significantly less on consumer goods than the 35-44 and 45-54 year age groups – who spend more than all other age groups combined. These trends will be re-examined as a part of the sales leakage analysis.
- Overall, demographic trends in terms of population, income and age are favorable with respect to consumer demand. This will be discussed in detail in the retail market analysis.
- The population in the 35-44 year age group declined from 2000 to 2005, this age cohort is expected to decline further by 2010. This loss of younger adults, at a time when the baby boom generation is beginning to reach retirement age, will impact the availability of local labor. The likely reason for this trend is the lack of job opportunities for individuals seeking career advancement and higher incomes.
- According to the demographic information, the region will experience a decline in middle-class households. This may be the result of a lack of adequate middle-class housing. This economic trend will be examined and presented later. However, housing prices in the region have increased substantially in recent years – largely due to increased demand from 2nd homeowners.

Economic and Labor Force Trends



As shown in the figure to the above, unemployment trends have averaged 6.3% in Franklin County and 5.2% in Essex County since 2000. In comparison, unemployment in the North Country has averaged 6.1% while NYS unemployment has averaged 5.4% during this period. However, both Counties, as well as the North Country region¹, suffer from high seasonal unemployment. While NYS does experience this trend, the overall impact on employment levels is fairly minor.

In total, the size of the employed labor force is approximately 14,900 in Essex County and 19,100 individuals in Franklin County. Given typical unemployment rates, the two Counties have approximately 1,700 unemployed individuals during the summer months, but roughly double that amount during the winter. Similarly, CA estimates the trade area has 400 unemployed individuals during the summer season, and 800 during the winter months when unemployment rates peak.

The proposed Big Tupper project, which includes re-opening of the Big Tupper Ski Area and the construction of several hundred residential units, is a regionally significant project that could have a marked impact on winter unemployment. For instance, if this project were to result in 200 new jobs during the winter, unemployment rates in both Franklin and Essex County could decline by 0.5%.

The small size of the labor force impacts the ability of the region to attract medium sized and larger businesses. However, based on surveys of local experts and employers, there is an available labor pool of well educated, yet underemployed individuals. These individuals are a potential resource for small businesses expanding or locating in the region.

Employment and Wages by Major Industry Division

Major Changes in Employment by Industry, Franklin County				
Industries with Employment Gains				
Industry	Total Employment		Change, 2000-2005	
	2000	2005	Number	%
Local Government*	3,057	4,262	1,205	39.4%
Health Care and Social Assistance	2,786	3,106	320	11.5%
Professional and Technical Services	328	387	59	18.0%
Educational Services	314	368	54	17.2%
Real Estate and Rental and Leasing	137	184	47	34.3%
Industries with Employment Losses				
Arts, Entertainment, and Recreation*	693	153	(540)	-77.9%
Manufacturing	1,027	570	(457)	-44.5%
Other Services	831	680	(151)	-18.2%
State Government	3,670	3,530	(140)	-3.8%
Information	217	160	(57)	-26.3%
Total, All Industries	17,946	17,945	(1)	0.0%

*Includes a reclassification of roughly 500 jobs associated with the Mohawk-Akwesasne tribe into Local Government

Franklin County

The following data was obtained from the Bureau of Labor Statistics (BLS). The BLS, in conjunction with the state, gathers proprietary company data on employment and wages and aggregates this data by ownership and industry. This data is published in the Quarterly Census of Employment and Wages (QCEW). Please note that the data is based on place of work, not place of residence. For example, an individual who lives in Franklin County but works in Essex would be included in the Essex County data.

The table on the previous page provides a summary of industries experiencing major changes in employment from 2000 to 2005 (for a complete listing, see the appendix at the end of this report). As the table illustrates, the retail trade and health care and social assistance “industries” were the largest private sector employers in the region in both years. However, a number of key industries lost employment, including manufacturing and arts, entertainment, and recreation.

It is important to note the overall size of the professional and technical services category. These sectors are typically underrepresented in rural areas similar to Saranac Lake, and typically offer excellent wage and benefit packages to employees. Due to this, encouraging the growth of these business types is important for the overall economic health of the region.

On a net basis, Franklin County lost a total of 1,106 private sector jobs from 2000 to 2005. Unfortunately, the data is skewed because individuals employed by the Mohawk-Akwesasne Tribe were reclassified into Local Government as of 2004. Further, because information for individual employers is confidential, it is not possible to adjust the data to account for this change. However, based on a review of data for the years 2003 and 2004, the reclassification appears to have been from the Arts, Entertainment, and Recreation category.

Changes in Wages by Industry, Franklin County				
Industries with Real Wage Growth				
Industry	Average Wages		Change, 2000-2005	
	2000*	2005	Number	%
Transportation and Warehousing	\$31,054	\$37,739	\$6,685	21.5%
Real Estate and Rental and Leasing	\$17,651	\$20,719	\$3,068	17.4%
Wholesale Trade	\$27,275	\$31,316	\$4,041	14.8%
Health Care and Social Assistance	\$27,173	\$30,843	\$3,670	13.5%
Information	\$34,857	\$38,221	\$3,364	9.7%
Industries with Real Wage Declines (and minimal growth)				
Arts, Entertainment, and Recreation	\$21,608	\$14,792	(\$6,816)	-31.5%
Local Government	\$31,963	\$30,527	(\$1,436)	-4.5%
Other Services	\$23,404	\$22,954	(\$450)	-1.9%
Manufacturing	\$27,161	\$26,882	(\$279)	-1.0%
Professional and Technical Services	\$38,100	\$38,236	\$136	0.4%
Total, All Industries	\$29,508	\$30,814	\$1,306	4.4%

*Inflation adjusted to year 2005 dollars.

In terms of wages (all wage data is inflation adjusted to 2005 dollars), most industries experienced wage growth relative to inflation. In particular, wholesale trade; transportation and warehousing; real estate and rental and leasing, and health care and social assistance wages grew significantly faster than inflation. Although wages in the arts, entertainment, and recreation industry declined significantly, this may be due to the reclassification, as noted above. On average, real wages (i.e. inflation adjusted) in the County grew by 4.4% from 2000 to 2005.

Essex County

Since 2000, Essex County has experienced an overall loss of jobs. Additionally, the County experienced a significant net loss of private sector jobs, and an increase in government jobs. A small number of industry sectors (accommodation and food services, other services) were responsible for most of the private sector job loss.

Major Changes in Employment by Industry, Essex County				
Industries with Employment Gains				
Industry	Total		Change, 2000-	
	2000	2005	Number	%
Local Government	2,458	2,706	248	10.1%
Construction	647	823	176	27.2%
Health Care and Social Assistance	1,647	1,776	129	7.8%
Management of Companies and Enterprises	0	109	109	N/A
State Government	1,444	1,522	78	5.4%
Industries with Employment Losses				
Other Services	1,026	486	(540)	-52.6%
Accommodation and Food Services	2,466	2,251	(215)	-8.7%
Manufacturing	1,157	1,108	(49)	-4.2%
Real Estate and Rental and Leasing	142	97	(45)	-31.7%
Wholesale Trade	130	87	(43)	-33.1%
Total, All Industries	15,410	15,129	(281)	-1.8%

One notable difference between Franklin and Essex Counties is related to manufacturing employment: while Franklin County lost nearly 50% of its manufacturing jobs, manufacturing employment within Essex County was relatively stable. The table to the left provides a summary of those industries undergoing the greatest changes in total

employment.

Changes in Wages by Industry, Essex County				
Industries with Real Wage Growth				
Industry	Averages Wages		Change, 2000-2005	
	2000*	2005	Number	%
Real Estate and Rental and Leasing	\$13,870	\$19,517	\$5,647	40.7%
Federal Government	\$47,861	\$52,632	\$4,771	10.0%
Professional and Technical Services	\$28,573	\$32,502	\$3,929	13.8%
Finance and Insurance	\$31,713	\$34,472	\$2,759	8.7%
Health Care and Social Assistance	\$24,453	\$26,614	\$2,161	8.8%
Industries with Real Wage Declines (and minimal growth)				
Wholesale Trade	\$40,022	\$28,183	(\$11,839)	-29.6%
Truck Transportation	\$27,458	\$21,685	(\$5,773)	-21.0%
Transportation and Warehousing	\$24,223	\$21,207	(\$3,016)	-12.5%
Construction	\$34,711	\$33,231	(\$1,480)	-4.3%
Mining	\$42,668	\$41,834	(\$834)	-2.0%
Total, All Industries	\$27,925	\$29,232	\$1,307	4.7%

*Inflation adjusted to year 2005 dollars.

On average, wages in Essex County grew by 4.7% from 2000 to 2005. However, several traditional “blue collar” industries within the County experienced significant real wage declines. Most of these industry types also experienced job losses, signaling the overall decline of these industries within the North Country.

NonEmployers

A nonemployer business is defined as a business that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Most nonemployers are self-employed individuals operating very small, unincorporated businesses (sole proprietorships and partnerships) that may or may not be the owner’s principal source of income. Nationally, nonemployers account for nearly three-quarters of all businesses. Statistics on nonemployers have been available since 1997, but sub-County level statistics are not available.

Since 1997, the number of nonemployers and their accompanying receipts has increased substantially in both Counties. Essex County, in particular, has experienced robust growth in nonemployer receipts. As of 2003, both Counties had a total of 5,292 nonemployers with receipts of nearly \$180 million.

Growth in NonEmployer Businesses: 1997 - 2003				
Year	Franklin County		Essex County	
	Establishments	Receipts (\$1,000)	Establishments	Receipts (\$1,000)
1997	2,286	\$75,783	2,378	\$67,730
1999	2,295	\$73,990	2,448	\$75,539
2001	2,362	\$76,399	2,598	\$81,552
2003	2,621	\$85,715	2,671	\$93,222
Growth: 1997 - 2003	14.7%	13.1%	12.3%	37.6%

In terms of individual industries, the largest share of nonemployers were in construction, a

category referred to as “other services” (establishments engaged in such activities as equipment repair, automotive repair and maintenance, and personal care services), and retail trade.

In 2003, the latest year that data is available, the number of nonemployers in each County actually outnumbered those businesses with paid employees. The Quarterly Census of Employment and Wages Program reports a total of 1,189 private sector establishments in Essex County in 2003, and 1,056 in Franklin County. In comparison, each County had approximately 2,600 nonemployers in 2003.

The Tourism Sector

Empire State Development has developed a working definition of travel and tourism that encompasses the following industry classifications:

- Accommodations – Hotels, motels, bed-and-breakfast inns, RV parks and campgrounds, rooming houses.
- Culture, Recreation and Amusements – Theaters, performing arts companies (music, dance, theater), racetracks, museums, historical sites, zoos and botanical gardens, amusement and theme parks, casinos, skiing facilities, golf courses, marinas, bowling centers.
- Food Services – Full-service and limited service restaurants, cafeterias, snack bars, food service contractors, caterers, drinking places.
- Passenger Transportation – Passenger air transportation, taxi services, charter buses, scenic and sightseeing transportation, passenger car rental, travel agencies, tour operators, convention and visitor bureaus.
- Travel Retail – Recreational vehicle and boat dealers, gasoline stations, sporting goods stores, and gift, novelty, and souvenir stores.

Please note that there is a complex methodology wherein industry sectors are “prorated” according to their relative contribution to tourism. For instance, casino hotels have a 100% proration factor, meaning 100% of employment and wages for casino hotels are classified as tourism related. However, full-service restaurants have a prorating of 20%. The data is based on all tourism related establishments in New York State. However, for a region like Saranac Lake, which has a strong tourism component to the economy, CA believes the proration factors are significantly lower than reality. For a complete listing of proration factors, please see the appendix at the end of this report.

This data was examined to determine the specific impact of tourism in the greater Saranac Lake area. As discussed earlier, a number of tribal positions were recently classified as local government. As such, these positions are not included in the data.

Tourism Sector Employment, 2005			
Employment Sector	Franklin	Essex	North Country
Accom.	160	1,130	2,670
Culture, Recreation & Amusements	450	360	1,330
Food Services	150	220	2,020
Passenger Transportation	0	60	570
Travel Retail	50	110	670
Total, Tourism Sector	820	1,890	7,260
Total, All Industry Sectors	17,945	15,129	152,611
Tourism as % of Total County Employment	4.6%	12.5%	4.8%

As shown in the table above, Essex County has a total of 1,890 (12.5% of all jobs) tourism sector jobs while Franklin County has 820 (4.6% of all jobs) tourism jobs. The larger North Country region has 7,260 tourism jobs, encompassing 4.8% of all jobs.

Tourism Sector Wages, 2005			
Employment Sector	Franklin	Essex	North Country
Accom.	\$20,000	\$21,504	\$17,753
Culture, Recreation & Amusements	\$24,222	\$19,444	\$21,278
Food Services	\$10,667	\$13,182	\$11,040
Passenger Transportation	N/A	\$21,667	\$26,140
Travel Retail	\$16,000	\$16,364	\$17,313
Total, Tourism Sector	\$20,122	\$19,735	\$17,149
Total, All Industry Sectors	\$30,814	\$29,232	\$30,860
Delta: Tourism Wages - Average Wages	-\$10,692	-\$9,497	-\$13,711

For both Counties and the North Country overall, wages for tourism related jobs are much lower than average wages across all industry sectors. From the perspective of job creation and average wages, this suggests that tourism development will provide a reduced economic impact relative to other industries. However, the economic impact of increased tourism could be significant if the jobs provide above-average wages or the projects have ancillary benefits.

Conclusions

- A significant number of employment options are seasonal. Typically, these positions offer few opportunities for individuals seeking to advance their careers and increase their annual incomes while remaining in the area.
- The manufacturing sector has been losing jobs in recent years. Further, wages for traditional “blue collar” positions have declined. Both of these trends mirror those occurring at the national level, and will likely continue in the future.
- Although still in the planning stages, the reopening of the Big Tupper Ski Area, and the accompanying construction of residential housing units, could be a significant economic boon for the area. The residential construction will help to offset wage

declines in the construction industry, while the ski resort could have a significant impact on winter employment levels.

- Despite the reclassification of the Mohawk-Akwesasne Tribe to Local Government, there still appears to be an overall loss of private sector jobs. These positions are being replaced by government positions.
- The Saranac Lake trade area has approximately 550 unemployed individuals. Due to population trends, the total pool of available labor will remain relatively stable. As a result, the area will have difficulty attracting a major commercial development, due to a labor force shortage.
- The numbers of nonemployers, and their accompanying receipts, have grown significantly in recent years. The Village should pursue programs to foster growth at these businesses.
- Although tourism wages are significantly lower than average wages, the tourism sector serves to support a number of other economic sectors. In addition, the seasonal unemployment fluctuations have significant economic and social implications for the region and should be addressed.

Retail Market Analysis

According to ESRI, retail and restaurant establishments located in the Saranac Lake trade area generate an estimated \$188.3 million in annual sales. Four categories account for more than half of all retail sales in the trade area: Automotive Dealers and Parts Dealers (\$21.3 million); Grocery Stores (\$28.8 million); Health and Personal Care Stores (\$21.4 million) and Full-Service Restaurants (\$33.3 million). For a complete listing of all store types and their contribution to trade area retail sales, please see the appendix at the end of this report.

Overall, the trade area has a net inflow of retail sales, which was expected given the strong tourism component to the regional economy. The retail sales potential data is based on income levels and spending patterns of residents; most regions that are tourism destinations will capture sales significantly above and beyond this demand from year-round residents.

The high sales volume generated by Grocery Stores and Automotive Dealerships is typical. Grocery Stores tend to generate a high level of sales because they sell retail goods that virtually everyone needs, while Automotive Dealerships offer a product that is extremely high in value.

The Saranac Lake trade area includes 95 Eating & Drinking Places, generating \$51.8 million in annual sales. Because this figure is greater than expected (based on population and income levels), these types of stores are likely attracting customers from *outside* the trade area.

However, the trade area has significant sales leakage in several categories, including Automotive Dealers and Parts Dealers (\$23.8 million), General Merchandise Stores (\$18.3 million), and Gasoline Service Stations (\$5.6 million). Moderate leakage also exists in Building Materials & Garden Supplies (\$2.4 million).

Recapturing a portion of the \$17.8 million in net outflow from the trade area represents a potential opportunity for local businesses. In the case of Saranac Lake, the overwhelming majority of this leakage is likely occurring due to sales at strong retail chains outside the trade area near the City of Plattsburgh.

These stores are often so well-entrenched and price competitive that recapture of sales leakage is often not possible – this is particularly true of General Merchandise stores. However, as evidenced by Wal-Mart's recent attempt to locate in Saranac Lake, a local General Merchandise retailer would be able to capture this leakage because of the convenient location.

Overall, market opportunities within the Saranac Lake trade area are considerably stronger with respect to Automotive Dealers and Parts Dealers, Gasoline Service Stations and Building Materials and Garden Supplies.

Consumer Spending by Age Cohort

As highlighted in the demographics memo, several key demographic trends are impacting the trade area that will also affect retail sales: a loss of households between 35-44 years of age, a gain of households between 55-64 years of age, and a large increase in higher income households.

In April of 2006 the Bureau of Labor Statistics published statistics on consumer expenditures by income and age cohorts, for the year 2004. Although the data does not contain detailed spending information for retail goods, a number of key spending categories are highlighted.

As shown in the chart above, the 35-44 year age households tends to spend significantly more on food (both at home and away from home), housing, transportation and entertainment than the U.S. Average. As a result, trade area residents may spend less at both Grocery Stores and Eating & Drinking Places, as the number of households in this age cohort is forecast to decline by approximately 15% by 2010.

Consumer Spending by Age Cohort, 2004 ¹			
Spending Category	U.S. Average	Age Cohort Spending Minus Average Spending	
		35-44	55-64
Food	\$5,977	\$1,004	\$121
Food at Home	\$3,460	\$569	\$28
Food Away From Home	\$2,517	\$435	\$93
Housing	\$14,390	\$2,973	\$435
Household Operations	\$779	\$247	(\$112)
Household Furnishings & Equipment	\$1,702	\$325	\$296
Apparel and Services	\$1,878	\$337	\$49
Transportation	\$8,065	\$1,429	\$641
Vehicle Purchases (net outlay)	\$3,512	\$820	\$226
Gasoline and Motor Oil	\$1,652	\$288	\$70
Other	\$2,901	\$321	\$344
Healthcare	\$2,661	(\$322)	\$711
Entertainment	\$2,293	\$296	\$626

Source: Bureau of Labor Statistics, "Consumer Expenditures in 2004"
1: Inflation adjusted to match year 2005 trade area data

Consumer Spending by Household Income, 2004 ¹			
Spending Category	U.S. Average	Income Cohort Spending Minus Average Spending	
		\$70,000+	\$100,000+
Food	\$5,977	\$3,372	\$11,097
Food at Home	\$3,460	\$1,434	\$5,619
Food Away From Home	\$2,517	\$1,938	\$5,479
Housing	\$14,390	\$9,955	\$29,094
Household Operations	\$779	\$873	\$2,134
Household Furnishings & Equipment	\$1,702	\$1,716	\$4,450
Apparel and Services	\$1,878	\$1,585	\$4,397
Transportation	\$8,065	\$5,906	\$16,239
Vehicle Purchases (net outlay)	\$3,512	\$2,709	\$7,347
Gasoline and Motor Oil	\$1,652	\$841	\$2,646
Other	\$2,901	\$2,356	\$6,247
Healthcare	\$2,661	\$1,092	\$4,179
Entertainment	\$2,293	\$1,965	\$5,099

Source: Bureau of Labor Statistics, "Consumer Expenditures in 2004"
1: Inflation adjusted to match year 2005 trade area data

Consumer Spending by Household Income

Meanwhile, the trade area is forecast to experience rapid growth in the number of 55-65 year age households. Households within this age cohort tend to match U.S. average expenditures fairly closely for most categories. However, households aged 55-64 tend to have significantly higher spending on healthcare and entertainment.

In terms of household income, the trade area is forecast to experience a 46% increase in households earning more than \$100,000 from 2005 to 2010, and a 33% increase in households earning more than \$75,000.

Because these households have earnings so much higher than the national average, their consumer expenditures are much higher than averages. This bodes well for area retailers, who have the chance to attract these individuals – whom have very high spending potential – to their businesses.

2nd Homeowners

The owners of seasonal properties and second homes represent a significant market segment that appears to be growing in the Saranac Lake trade area. National studies characterize second-homeowners today as college-educated, high-income, middle-age or older couples, who have children nearing adulthood or no longer living at home.

The spending habit of this group tends to be dramatically different than residents. According to a June 2003 article in *American Demographics*, second-homeowners spend five times as much as the average homeowner on lawn care, home security, pest control, and housecleaning. In terms of trade area retail sales, there is currently a minor leakage occurring in Lawn & Garden Equipment and Supplies Stores. There appears to be an opportunity to both capture a portion of this current leakage, and increase overall sales for this industry as the number of 2nd homes in the region increases.

Visitors

To compile information on the interests and lifestyles of visitors to the area, a web-based survey was developed and advertised at a number of venues. The purpose of the survey was to gain an understanding of visitor demographics, spending patterns, and the types of stores and attractions that visitors would frequent. The results of this survey will be presented in a separate addendum to this narrative

Conclusions

- Trade area retail sales are fairly strong, as demonstrated by the overall sales surplus. This is typical of any region that is a tourism destination and has a concentration of seasonal residences.
- The overall sales surplus is also related to the trade area boundaries, which include Lake Placid and Tupper Lake. These two locales are popular destinations, and skew the sales data upward. The challenge for Saranac Lake is to differentiate itself in order to capture a greater proportion of retail sales that are occurring in the larger trade area.
- While the number of high income trade area residents is expected to grow substantially, this growth (in terms of retail demand) will be partially offset by a loss of 35-44 year old households. As a result, retail demand from trade area residents will likely remain similar to current levels. Any substantial growth in retail

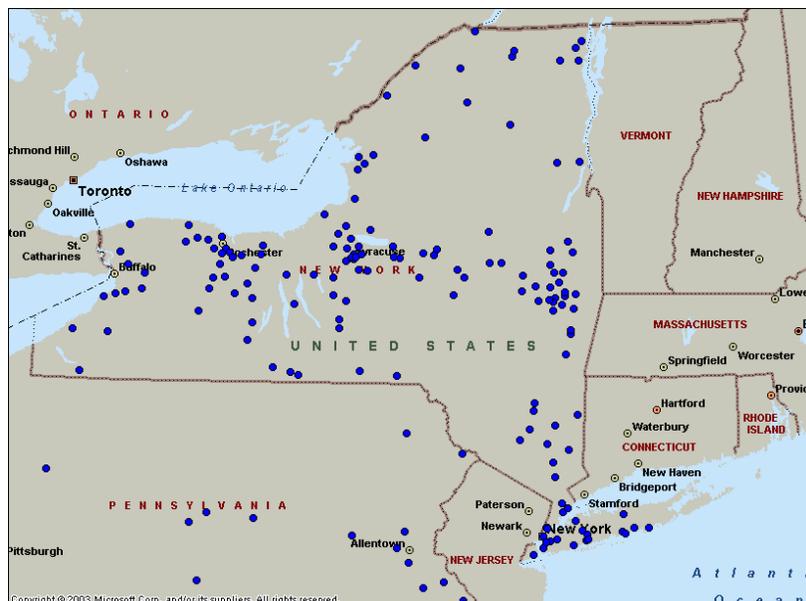
sales will thus come from increased visitor spending, or capture of leakage that is occurring.

- There is a clear opportunity for a General Merchandise retailer within the trade area. The trade area is vastly underserved by General Merchandise stores.
- In addition to General Merchandise retailers, the area is significantly underserved by Automotive Dealers and Parts Dealers, Specialty Food Stores, Lawn and Garden Equipment and Supplies Stores, and Electronic and Appliance Stores. These store types will be examined in more detail during Phase 7 of this study (areas appropriate for commercial and industrial development).
- The number of 2nd homeowners in the trade area is another underlying reason for the strong retail sales. If the Big Tupper development is approved, this effect will be even greater in the future. In terms of retail demand, 2nd homeowners spend significantly more on items such as home security, pet control, and housecleaning.
- This survey will help to shed light on retail opportunities within the Village of Saranac Lake, as a number of questions are related to the types and quality of retail goods available in the Village's business district.

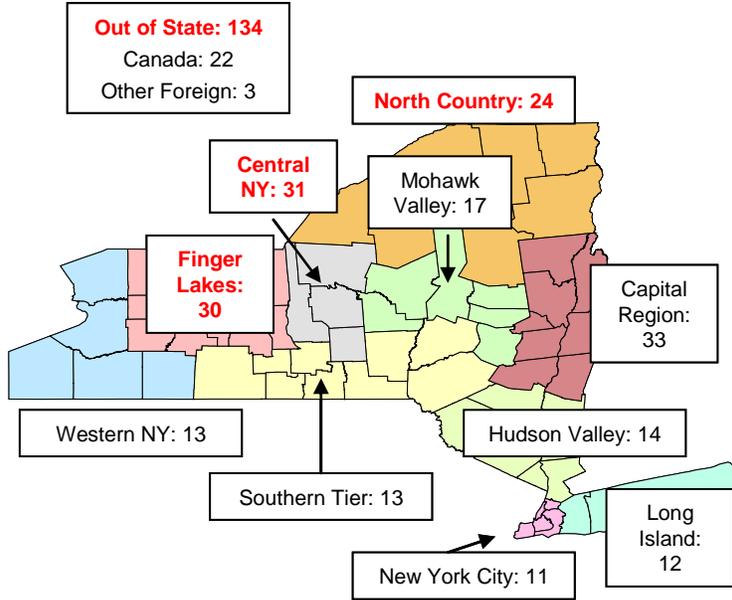
Visitor Survey: General Results

To better understand the Saranac Lake tourism market, a survey of visitors was developed and distributed with assistance from committee members and local business owners. The survey was made available on-line during the peak of the summer season. The objectives of the survey were to:

- Determine visitor origins and demographics,
- Gain an understanding of visitor spending on local attractions,
- Determine visitor perceptions of the area as a vacation destination, and
- Identify opportunities for business development and commercial revitalization and redevelopment within the study area.



The map above shows the primary residence of the majority of survey respondents, whereas the illustration above depicts responses by region. The regions highlighted in red indicate those areas that have the greatest visitor spending impact on the Saranac Lake economy. This point will be elaborated on later in the report.



The survey was “closed” for purposes of this report on September 4, 2006, at which point 360 surveys had been completed. However, the survey will remain available to the Village indefinitely. Please note that these results are representative of summer visitors to Saranac Lake, and not necessarily all visitors. Also, the survey results were obtained using the web-based survey tool Zoomerang. As a result, the results may be skewed towards those respondents that used the Internet to make hotel reservations. The survey results are presented in two sections: the first contains results for all survey respondents, the second focuses on the results for specific regions that are offer target market opportunities.

Saranac Lake Visitor Survey: Summary of Results by Origin of Visitor					
Origin of Visitor	Daily Spending	Length of Stay (Days)	Economic Impact Per Visitor	Average Party Size	Annual Average Income*
Capital	\$187.36	2.57	\$481.33	3.03	\$89,450
Central New York	\$167.26	3.19	\$533.50	2.81	\$76,800
Finger Lakes	\$229.77	4.94	\$1,135.58	3.45	\$69,327
Hudson Valley	\$105.29	4.23	\$445.44	3.21	\$99,773
Long Island	\$240.83	5.50	\$1,324.58	2.67	\$112,222
Mohawk Valley	\$263.36	2.94	\$774.58	2.82	\$84,029
New York City	\$159.55	3.35	\$534.48	2.09	\$103,611
North Country	\$259.54	2.74	\$710.92	3.33	\$72,205
Out of State	\$202.68	4.03	\$816.68	2.95	\$98,408
Southern Tier	\$247.08	3.14	\$774.92	2.85	\$80,000
Western New York	\$264.15	3.81	\$1,007.09	3.69	\$85,400
All	\$198.38	3.85	\$763.69	2.99	\$82,045

* Estimated by Camoin Associates.

The regions selected by CA for detailed analysis include the Central New York, Finger Lakes and North Country regions, in addition to out-of-state visitors. As shown in the table above, visitors from these regions often “stand out” in terms of their length of stay, spending, party size, number of visits and overall economic impact. As such, visitors from these regions represent key targets for Saranac Area businesses. This information is discussed in detail in the “cross tabulations” section of this memo.

Visitor Demographics

Based on the survey results, a total of 55.8% of respondents were from New York State, while 16.4% visited from New Jersey, 16.4% visited from Pennsylvania, and 11.2% from Massachusetts. The other 75 responses (20.8%) were scattered across a number of states, and 22 (6.1%) individuals were from Canada. Based on the experience of CA, Saranac Lake visitors have much more diverse origins than the average municipality in upstate New York. Similar to national trends, travel arrangements were generally made by women (63.1%).

A significant percentage (40.5%) of respondents are first-time visitors to the area, or take less than 1 trip per year, while 43.0% of individuals take 1-2 trips per year to the region. A total of 14.0% of all visitors reported taking 3 or more trips per year. On average, respondents *anticipate* taking 2.2 trips to the region in 2006, which is consistent with historical average trips reported by survey respondents. The average length of stay was reported as 4.0 days suggesting the area is popular for week-long vacations.

A small percentage (10.2%) of visitors came to the region alone or with friends only. The remaining visitors are with friends and family (19.9%), their spouse/partner only (42.8%) or with their family, including children (26.2%).

Further, 54.1% of all individuals reported they were in the region for vacation, while 10.8% visited family and friends. In short, the region is a popular draw for couples and families, but less of an attraction for single individuals or group tours.

Most visitors to the region earn high annual incomes. The estimated median household income for all visitors is \$82,045, and 36.4% of all visitors reported annual household incomes of \$100,000 or more. In comparison, the median household income for the trade area was \$38,993 in 2005.

Estimated Mean Income of Visitors	
Region	Income
Long Island	\$112,222
New York City	\$103,611
Hudson Valley	\$99,773
Out of State	\$98,408
Capital	\$89,450
Western New York	\$85,400
Mohawk Valley	\$84,029
Southern Tier	\$80,000
Central New York	\$76,800
North Country	\$72,205
Finger Lakes	\$69,327
All Visitors	\$82,045

The table above shows the estimated mean income of all visitors to the region. Not surprisingly, incomes are highest for Long Island and New York City residents. However, incomes for out of state visitors are also very high. As noted earlier, out-of-state visitors account for a significant portion of all survey respondents.

Accommodations

A total of (43.7%) of all visitors that utilized overnight accommodations stayed in a hotel, while 16.5% stayed in a motel and 12.9% utilized a rental cottage. This is likely related to visitor demographics. Because visitors are often higher income couples or families, they tend to choose higher-end accommodations.

Of all other accommodations types, none comprised a significant percentage of the total. This is somewhat surprising, given the presence of several large campgrounds in the area.

Although there are a large number of 2nd homeowners in the region, only a few respondents reported staying in a 2nd home.

How Visitors Heard About Saranac Lake

The largest percentage of individuals heard about the area through word of mouth (29.3%). Additionally, a review of written responses revealed that a further 20% of individuals learned about the area through family and friends, which could also be classified as word of mouth. Other popular responses were “while visiting Lake Placid” (20.6%), “grew up in the area” (13.0%), and “brochure/visitor guide” (13.3%). Relatively few individuals learned about the area through travel articles, advertisements or other marketing materials.

Activities

10 Most Popular Activities: Saranac Lake Visitors		
Activity	Responses	Participation Rate
Dining at local restaurants	262	72.8%
Hiking	154	42.8%
Shopping (general)	147	40.8%
Shopping (specialty shops)	136	37.8%
Historic sites & museums	128	35.6%
Canoeing/kayaking	114	31.7%
Festivals & special events	106	29.4%
Drinking at local bars/pubs	99	27.5%
Swimming	99	27.5%
Fishing	70	19.4%

The table below shows the 10 most popular activities that visitors engaged in while in the region. Please note that no winter activities are included in the table, although the area is known for winter recreation and survey respondents had the option of selecting winter activities. This is likely due to the timing of the survey, and the same survey administered during the winter months would likely produce different results for this question. The region may have two distinct groups of visitors for the summer and winter seasons. For this reason, the survey will remain available during the winter season.

10 Most Desired Activities: Saranac Lake Visitors		
Desired Amenity/Activity	Responses	% of Total
Farmer’s market	137	37.1%
Antique stores	125	33.9%
Expanded bike/walking paths	120	32.5%
Bookstore	118	32.0%
Fine dining restaurants	116	31.4%
Family style restaurants	113	30.6%
Boat, canoe, or kayak rentals	110	29.8%
Ethnic restaurants	107	29.0%
History museum	96	26.0%
Bicycle rentals	73	19.8%

Overall, quality (and lack) of cultural amenities is cited as an area for improvement by visitors, and this may be driving the participation rate for festivals and special events 30%. Overall, most individuals participate in some form of outdoor recreation. Further,

although many individuals dined at local restaurants, a high response rate is typical for this category.

The table on the previous page lists those attractions, stores, or services that visitors would most like to see in the area. As noted earlier, visitor demographics tend to be skewed towards couples and families, whereas single individuals are not as well represented. This is clearly reflected in the survey results, as family friendly and cultural activities were highly desired.

Amenities

Quality of Amenities in the Saranac Lake Region					
	Excellent	Very Good	Good	Fair	Poor
Cost of lodging	14.3%	31.3%	41.8%	10.9%	1.7%
Cultural amenities	7.3%	27.9%	47.4%	15.0%	2.4%
Knowledge of hospitality staff	22.2%	36.4%	35.6%	5.4%	0.4%
Quality of lodging	17.0%	39.5%	33.3%	9.4%	0.7%
Recreational opportunities	46.2%	36.8%	13.0%	1.7%	2.3%
Restaurants	17.7%	34.0%	37.7%	9.7%	1.0%
Shopping	10.3%	25.9%	45.4%	14.9%	3.5%
Signage	15.2%	30.0%	47.9%	5.8%	1.2%
Things to see and do	30.3%	39.1%	22.9%	6.4%	1.3%
Value for the money	19.3%	36.3%	36.6%	7.5%	0.3%
Visitor information	21.5%	39.4%	33.2%	4.7%	1.1%

Most respondents rated amenities in the region as very good or good. However, several items stand out, particularly cultural amenities and shopping. In total, 17.4% of respondents rated cultural amenities as fair or poor, while 18.4% rated shopping as fair or poor. These two categories also had comparatively low numbers of excellent votes. Restaurants (10.7%) and quality of lodging (10.1%) also had a number of fair or poor responses.

In terms of the highest rated amenities, 82.9% of respondents rated recreational opportunities as very good or excellent, while 69.4% of respondents rated things to see and do as very good or excellent. Further, visitor information and knowledge of hospitality staff also received high marks from visitors.

When asked for additional thoughts or comments on improving the area, there were several prevailing themes, including: “face-lifting” downtown buildings and the upper Broadway area, improving the range of retail stores downtown, mitigating traffic problems near Lake Flower and improving parking, improved advertising of events in the region, and limiting future development. Additionally, several individuals noted that maps and guides were not easily available, making it difficult to find hiking trails, boat launches, etc.

When asked what they would like to see more or less of in the area, many of the same

comments were echoed. However, a number of individuals also suggested the need for additional shopping opportunities for groceries and general merchandise goods.

Overall, 94.3% of all individuals stated it was very likely or somewhat likely that they would recommend visiting the area to their friends and family.

Visitor Spending

Saranac Lake Visitor Spending vs. Other Studies			
	Essex County	Northern New York	Saranac Lake Visitor Survey
Attractions	\$20.47	\$15.16	\$10.96
Entertainment	\$21.36	\$17.96	Not Available
Transportation	\$19.15	\$12.72	19.28*
Lodging	\$87.68	\$43.44	\$67.47
Meals	\$52.93	\$44.68	\$65.48
Souvenirs	\$27.36	\$22.81	\$17.68
All Other	\$14.45	\$22.94	\$17.51
Average Daily Expenditures	\$243.40	\$179.71	\$198.38

* Gasoline

Essex County data from SUNY TAC Study.

Northern NY Data from NNY Tourism Study

Survey respondents were asked to estimate their average daily expenditures on a number of items to enable the Village to understand visitor spending profiles. This data is useful for a number of purposes: it can be compared with questions regarding amenities and activities to confirm niches in the marketplace, it can give a general indication of the economic impact additional retailers would have on the trade area, and it can be used to compare the Saranac Lake region to nearby competing regions. The following table provides average spending per person per day, based on surveys results.

Overall, survey respondents reported similar expenditures as those individuals surveyed for the Northern New York Tourism studies, as well as the Olympic Regional Development Authority study. However, a few key differences are noted, including:

- Although the Saranac Lake visitor survey did not specifically categorize expenditures on entertainment, these expenditures are likely minimal. Expenditures in the “all other” category are similar across all three surveys. However, if Saranac Lake visitors had significant expenditures on entertainment, it would be reflected in the “all other” category.
- Expenditures on meals were higher than either the Northern New York and Essex County studies. However, several visitors provided written comments pertaining to the overall lack of local dining opportunities. Further, several individuals also expressed their desire for “fine dining.”
- Spending on attractions is lower than either comparison study. This is likely related to the lack of cultural amenities in the region, as noted by survey respondents

Visitor Survey: Cross Tabulations

Target Market Visitor Characteristics

A number of cross-tabulations were analyzed to better understand visitor demographics and tourism related market opportunities for the Saranac Lake region. Because a large numbers of visitors originated from Central NY, the Finger Lakes Region, the North Country and areas out side of New York State, the analysis focused on developing a profile of visitors from these regions. The visitors from these 4 regions profiled comprise roughly 60% of all survey respondents. As such, they are a good representation of the typical pool of summer visitors.

These four regions were selected for further analysis for the following specific reasons:

- *Central NY* visitors comprised 8.4% of total visitors and had a significant economic impact on the region. While the average spending per day was lower (\$167.26/day) than the typical Capital Region visitor (these visitors were not profiled), the average length of stay was longer (3.2 days) and the average party size was similar (2.8 individuals). For these reason, Central NY visitors have a greater overall economic impact on the Saranac Lake region (\$533.50 per trip).
- Similar to Central NY visitors, individuals from the *Finger Lakes* region comprised 8.1% of all visitors. However, Finger Lakes visitors had the longest length of stay of any region analyzed (4.94 days as compared to 3.85 days for all visitors). Further, Finger Lakes visitors had very high average spending (\$229.77/day or \$1,135.58per trip) resulting in a large economic impact per visitor. Lastly, the average party size was 3.5 individuals – the highest of any region examined.
- While *North Country* visitors had a relatively short average length of stay (2.74 days), these visitors had a surprisingly high spending profile and tended to travel in larger than average parties (3.3 individuals). In particular, these individuals had high expenditures for clothing and gifts & souvenirs. These visitors are profiled because they represent a target market for retailers in the Saranac Lake region.
- *Out-of-State* visitors comprised 36.3% of all survey respondents. Further, these visitors had higher than average daily spending and trip lengths. The average party size for these visitors was 3.0 individuals, which equaled the overall average for all survey respondents. Lastly, because they comprise a large percentage of total visitors, an analysis that did not include a detailed profile of these visitors would be incomplete.

Visitors from the Finger Lakes region and out-of-state visitors most frequently come to the region with their spouse or partner – and without children. Overall, visitors came in a variety of group types. The only clear trends were that few individuals visited the region alone, and few participated in organized tours.

For all regions analyzed in detail, the most popular reason for visiting the area was to vacation. However, out-of-state (48.9%) visitors had lower percentages of vacationers as compared to Central New York (67.7%) and Finger Lakes (65.5%) visitors. Out-of-state visitors also had a significant percentage of other responses. While these responses

Group Composition				
Group	Central NY	Finger Lakes	North Country	Out of State
Alone	0 (0.0%)	0 (0.0%)	2 (8.3%)	0 (0.0%)
Organized group or tour	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
With family, including children	9 (30.0%)	11 (36.7%)	4 (16.7%)	36 (26.9%)
With friends and family	3 (10.0%)	8 (26.7%)	7 (29.2%)	26 (19.4%)
With friends or associates, no family	18 (60.0%)	1 (3.3%)	2 (8.3%)	7 (5.2%)
With spouse or partner – no children	0 (0.0%)	10 (33.3%)	9 (37.5%)	55 (41.0%)
Total	30	30	24	134

varied widely, a number of individuals were in the region to attend functions at Paul Smith’s College.

The average length of stay for all visitors to the region was 3.8 days. Visitors from the Finger Lakes region tended to stay 1 day longer, while North Country visitors tended to have the shortest visits. The shorter North Country visits are due to proximity and the likelihood of day trips. Out-of-state visitors, somewhat surprisingly, did not have the longest length of stay. This may be due, in part, to longer travel time required for out-of-state travelers and other stops on their itinerary.

Main Purpose of Visit: Saranac Lake Region Visitors				
Response	Central New York	Finger Lakes	Out of State	Total Survey
Vacation	21 (67.7%)	19 (65.5%)	64 (48.9%)	191 (54.1%)
Visiting family/friends	3 (9.7%)	2 (6.9%)	20 (15.3%)	38 (10.8%)
Attend a special event	0 (0.0%)	0 (0.0%)	7 (5.3%)	13 (3.7%)
Business trip	0 (0.0%)	1 (3.4%)	4 (3.1%)	10 (2.8%)
Day trip	4 (12.9%)	2 (6.9%)	4 (3.1%)	31 (8.8%)
Attend organized sporting events	0 (0.0%)	1 (3.4%)	3 (2.3%)	4 (1.1%)
Shopping	0 (0.0%)	0 (0.0%)	1 (0.8%)	1 (0.3%)
Other	3 (9.7%)	4 (13.8%)	28 (21.4%)	65 (18.4%)
Total	31	29	131	353

Regardless of the primary market visitor origin, most individuals learned about the Saranac Lake region through word of mouth. Not surprisingly, out-of-state visitors had higher response rates for those categories related to advertising (internet, hotel websites, and business websites). A *major* finding for all visitors is the general lack of exposure for the area: nearly 25% of all visitors learned about Saranac Lake after arriving in the area and visiting Lake Placid or Tupper Lake.

Average Length of Stay (Days): Saranac Lake Visitors	
Region	Length of Stay
Central New York	3.1
Finger Lakes	4.7
North Country	2.9
Out of State	4.1
Total Survey	3.8

How Did Visitors Learn About the Saranac Lake Region?					
Response	Central New York	Finger Lakes	North Country	Out of State	Survey Total
Word of mouth	21.4%	19.4%	30.0%	23.3%	25.2%
Brochure / visitor guide	10.7%	16.1%	7.5%	11.7%	11.6%
Magazine travel article	5.4%	3.2%	2.5%	2.5%	4.2%
Newspaper travel article	0.0%	0.0%	0.0%	0.0%	0.9%
Grew up in the area	10.7%	12.9%	22.5%	16.7%	11.3%
Radio advertisements	1.8%	0.0%	2.5%	0.0%	0.7%
Print advertisements	1.8%	0.0%	2.5%	1.7%	1.9%
Internet advertisements	8.9%	6.5%	5.0%	10.0%	7.9%
While visiting Lake Placid	21.4%	16.1%	15.0%	19.2%	17.8%
While visiting Tupper Lake	10.7%	16.1%	7.5%	2.5%	6.0%
Local business website (i.e. hotel, attraction)	1.8%	0.0%	0.0%	4.2%	4.4%
Regional tourism website	5.4%	9.7%	5.0%	8.3%	8.1%
Total Responses	56	31	40	120	432

Visitor Spending

Visitors from Central New York have a fairly average spending pattern as compared to all visitors, although expenditures on several categories of goods and services are somewhat lower than average. Similarly, visitors from out-of-state have very similar spending as compared to all visitors.

Average spending for Finger Lakes visitors is the highest of any region examined for this survey – 15.8% above average spending. In particular, visitors from the Finger Lakes region of New York spend significantly more than average on accommodations. This is clearly related to the main purpose of their visits, which are heavily skewed towards vacation.

While North Country visitors have significantly lower incomes than the average visitor (approximately \$10,000 less than average), their average spending is very high. This is related to spending on two categories: clothing and gifts and souvenirs. North Country visitors spend an average of \$66.46 on these goods, as compared to just \$26.42 for the average visitor. Visitors from Central New York have a fairly average spending pattern as compared to all visitors, although expenditures on several categories of goods and

Average Daily Spending for Select Visitors: Saranac Lake Region					
Average Daily Spending	Central New York	Finger Lakes	North Country	Out of State	All Visitors
Accommodations	\$70.16	\$96.17	\$96.41	\$65.37	\$67.47
Dining in - food & beverages	\$17.10	\$25.50	\$55.92	\$22.08	\$21.99
Clothing	\$5.48	\$4.67	\$76.82	\$7.95	\$8.74
Gifts & souvenirs	\$17.74	\$20.50	\$83.33	\$16.78	\$17.68
Attractions	\$5.16	\$9.00	\$45.00	\$11.68	\$10.96
Gasoline	\$10.00	\$23.20	\$36.29	\$19.69	\$19.28
Dining out - food & beverages	\$38.06	\$37.40	\$89.00	\$46.45	\$43.49
Sporting goods	\$1.45	\$6.10	\$16.67	\$4.63	\$3.10
Personal care items	\$1.94	\$2.90	\$7.14	\$3.01	\$2.94
Other	\$0.16	\$4.33	\$1.67	\$5.04	\$2.72
Total	\$167.26	\$229.77	\$259.54	\$202.68	\$198.38

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Total Visitor Economic Impact of Select Regions			
Region	(1) Average Daily Spending	(2) Average Length of Stay	Economic Impact: (1) x (2)
Central New York	\$167.26	3.2	\$533.50
Finger Lakes	\$229.77	4.2	\$972.09
North Country	\$259.54	2.7	\$710.92
Out of State	\$202.68	4.0	\$816.68
All Visitors	\$198.38	3.8	\$763.69

The total visitor impact, calculated in the table above, is simply the average daily spending per person multiplied by the average length of stay. Although other factors influence the total economic impact for all visitors, this above measure is useful in determining “target markets” for Saranac Lake area businesses.

Visitor Preferences

Visitors from the Finger Lakes region tend to participate in a wide range of activities (dining at local restaurants, boating, hiking, shopping, etc.) as compared to all visitors. In comparison, visitors from the other regions analyzed tend to have lower participation rates as compared to the average visitor. For instance, these visitors have lower participation rates for hiking, shopping, and visiting historic sites and museums.

Participation Rate in 10 Most Popular Activities: Select Visitors					
Activities	Central New York	Finger Lakes	North Country	Out of State	Total Survey
Dining at local restaurants	67.7%	83.3%	56.7%	70.9%	72.8%
Hiking	35.5%	53.3%	30.0%	37.3%	42.8%
Shopping (general)	29.0%	70.0%	36.7%	37.3%	40.8%
Shopping (specialty shops)	22.6%	46.7%	43.3%	36.6%	37.8%
Historic sites & museums	25.8%	26.7%	20.0%	35.8%	35.6%
Drinking at local bars/pubs	19.4%	23.3%	10.0%	32.1%	27.5%
Canoeing / kayaking	29.0%	43.3%	20.0%	27.6%	31.7%
Festivals & special events	35.5%	43.3%	6.7%	26.9%	29.4%
Swimming	25.8%	30.0%	10.0%	23.9%	27.5%
Fishing	19.4%	40.0%	10.0%	19.4%	19.4%

In terms of those activities desired by visitors, the four visitor groups selected for further analysis did not have any clear preferences compared to the average visitor. As noted earlier, visitors tend to desire additional cultural and family friendly activities.

Expected Participation Rate, 10 Most Desired Activities: Select Visitors					
Desired Activities	Central New York	Finger Lakes	North Country	Out of State	Total Survey
Expanded bike / walking paths	12.0%	8.1%	12.3%	12.1%	10.8%
Boat, canoe, or kayak rentals	9.3%	8.1%	4.9%	11.3%	9.9%
Antique stores	12.0%	10.5%	12.3%	10.8%	11.2%
Farmer's market	10.7%	12.8%	14.8%	10.8%	12.3%
Fine dining restaurants	8.0%	9.3%	8.6%	10.6%	10.4%
Bookstore	6.7%	10.5%	13.6%	10.3%	10.6%
Ethnic restaurants	12.0%	8.1%	11.1%	9.6%	9.6%
Family style restaurants	17.3%	14.0%	11.1%	8.6%	10.1%
History museum	6.7%	12.8%	4.9%	8.4%	8.6%
Bicycle rentals	5.3%	5.8%	6.2%	7.4%	6.5%

Conclusions

- Based on survey findings, those visitors originating from out-of-state, the Finger Lakes, Central NY and the North Country offer the greatest opportunity for visitor attraction and economic impact based on travel desires, frequency of visit, spending profile and length of stay.
- While Capital Region respondents (33) were equally significant in numbers relative to Central New York (31) and the Finger Lakes (30), the length of stay (2.57 days) and daily spending (\$187.36/day) are significantly lower. This is the result of more frequent day visits and a higher portion of business traveler responses. As a result, the Capital Region visitor market is not considered significant.
- Finger Lakes visitors represent a major target market for Saranac Lake businesses. These visitors tend to have the longest length of stay (4.94 days), have a higher than average spending profile (\$229.77/day), and take advantage of the full range of activities available in the Saranac Lake region.
- Visitors from the North Country have significantly higher than average daily expenditures on clothing (\$35.21) and gifts & souvenirs (\$31.25). Based on survey responses, it appears these visitors utilize Saranac Lake as a regional retail center.
- Similar to national trends, the majority (63%) of all travel arrangements are being made by a female consumer.
- The average visitor is with a spouse and/or children, and has a significant amount of disposable income. As a result, visitors consistently noted their interest in cultural and/or family oriented activities.
- Visitors did not rate the quality of cultural amenities and shopping as highly as other local activities. However, these were identified as popular activities for visitors (shopping, visiting historic sites and museums, attending festivals and special events). Thus, visitors are partaking in these activities, but are not satisfied with the overall quality of their experience.
- Seventy percent (70%) of all respondents learned about the Saranac Lake region either while visiting Tupper Lake and Lake Placid (49%) or via word-of-mouth from a family or friend (20.6%).
- Although most visitors that come to the region tend to participate in some form of outdoor recreation, several individuals noted a lack of available information related to these activities. For instance, several individuals noted that hiking trailheads, walking paths and boat launches were difficult to locate.

Review of Prior Studies

As part of the Saranac Lake area economic development strategy, CA reviewed a number of studies and planning initiatives. The purpose of this task was to provide a foundation for the development of future recommendations, gain an understanding of existing resources within the region, ensure that the economic development strategy is consistent with other initiatives, and eliminate the duplication of research tasks. This memo provides a summary of major findings and recommendations from these plans/studies that could impact the Saranac Lake region.

The following studies were reviewed, as determined by the advisory committee:

- State of the Workforce Report. North Country Regional Workforce Investment Board. January, 2006.
- Regional Housing Assessment. Adirondack Economic Development Corporation. Prepared for the Regional Housing Task Force. March 13, 2003.
- Franklin County Comprehensive Economic Development Strategy (CEDs). 2004.
- Local Waterfront Revitalization Plan (LWRP). Village of Saranac Lake. 2001.
- The Saranac Lake – Lake Placid Recreational Path. Adirondack North Country Association.
- Olympic Scenic Byway Corridor Management Plan, Town of Fine to Ray Brook. Adirondack North Country Association.
- Adirondack Scenic Railway. Various Sources.
- 2004 Tourism Profiles for Essex & Franklin Counties. Northern New York Travel and Research Center
- The Saranac River Walk: A Conceptual Plan for River Access. The Village of Saranac Lake and the River Corridor Commission. October, 1992.

The following summarizes the relevant findings of these reports:

State of the Workforce Report. North Country Regional Workforce Investment Board. January, 2006.

As described in the Economic Overview memo, the health care industry has been a leading sector in Franklin and Essex Counties in terms of both wage and employment growth. According to the information presented above, the North Country is underserved in terms of health care services as compared to all of the state. Further, while Franklin County appears to have a high number of health care jobs relative to its total population, Essex

County is very low. In terms of employment, this shortage equates to roughly 450 health care jobs in Franklin and Essex Counties.

State of the Health Care Services Sector: Saranac Lake Region			
Area	Population	Health Care Jobs	Jobs per 100,000 Population
Capital Region	1,034,331	53,454	5,168
New York City	8,019,033	387,985	4,838
Western New York	1,437,675	68,300	4,751
Long Island	2,782,600	131,376	4,721
Hudson Valley	2,205,473	100,302	4,548
Finger Lakes	1,202,072	53,938	4,487
Central New York	711,978	31,314	4,398
Mohawk Valley	504,717	21,751	4,310
Southern Tier	719,501	30,994	4,308
North Country	423,976	15,988	3,771
Franklin County	50,149	2,418	4,822
Essex County	39,868	1,361	3,414
Franklin & Essex Total	90,017	3,779	4,198

Note: Franklin & Essex County data from 2005 Quarterly Census of Employment & Wages.

Regional Housing Assessment. Adirondack Economic Development Corporation. Prepared for the Regional Housing Task Force. March 13, 2003.

The memo for task 3 (demographics) drew upon the Regional Housing Assessment report. Although issues such as housing conditions and prices were not specifically addressed, it was noted that housing is insufficient in the region. Specifically, median household incomes are not sufficient to purchase available housing. Further, this was impacting both middle-class and lower income households, and the problem was exacerbated in the Villages, where housing costs tended to be highest.

Franklin County Comprehensive Economic Development Strategy (CEDS). 2004.

Franklin County Comprehensive Economic Development Strategy	
Project	Action
Develop Affordable Housing	Develop Affordable Housing for the Professional and Service Industry
Lake Flower Redevelopment Program	Integrated Water, Sewer, Parking, Sidewalk Development
Develop Harrietstown Industrial Park	Prepare Park for Developer: Extend Access Road
Harrietstown Airport Improvements	Improve General Aviation Capacity and Commercial Capacity
Healthcare Continuum	Develop Senior/Aging Care/Assisted Living Facilities
Saranac Lake Depot Area	Redevelop the Depot Area into a Commercial Mixed Property
Recreational Corridor Development	Consolidate Recreational Corridors in Tri-Lakes Region
Façade Improvement Programs	County-wide Effort to Develop Local Capacity
Fiber Optic Project	Resource Project Assessment
Develop Networked Incubator and Industrial System for Wood Products	Develop Institutional Support for Networked Incubator and Industrial System
Harrietstown Industrial Park	Identify Developer

The Franklin County CEDS was reviewed to ensure any initiatives developed for the Saranac Lake region were in accordance with County objectives. Those initiatives developed for the Franklin County CEDS will be noted when initiatives are developed for the Saranac Lake region. This includes the following initiatives that are relevant for the Saranac Lake region.

Local Waterfront Revitalization Plan (LWRP). Village of Saranac Lake. 2001.

The Village of Saranac Lake completed an LWRP in 2001 to better utilize waterfront property and promote economic development. Through this initiative, the following goals were developed. The Village has since been working towards implementing these goals.

Lake Flower
Locate and construct a multi-use, all season recreational path that would originate at Riverside Park at the north end of Lake Flower proceeding in a southerly direction along Lake Flower terminating beyond the Village line where the proposed Lake Placid-Saranac Lake Trail intersects Route 86 (at the railroad tracks).
Develop traffic calming and other road improvements on River Street that address traffic, pedestrian and parking patterns and issues.
Develop a landscape improvement plan to link the parklands together and generally make the area a more attractive place.
Address the need for additional parking on or accessed by River Street.
Riverside Park Improvements
Replace the bandstand with a new facility complete with storage, power, equipment and additional seating capacity.
Reconstruct the sea wall along the perimeter of Riverside Park to withstand the dock and other improvements planned for the waterfront in this area.
Construct public docks to safely and attractively accommodate small to medium boats along the Park's edge facing south. One dock will be provided to accommodate a small commercial touring boat.
State Boat Launch Improvements
Construct a year-round, handicapped-accessible facility with Adirondack style architecture.
Assess parking alternatives including accommodations for handicapped people desiring to utilize surrounding parks.
Baldwin Park Improvements
Provide a dedicated kayak/canoe launch area.
Construct a public dock for water access to the tennis courts.
Stabilize the shoreline embankments as needed.
Develop an on-site parking lot adjacent to the courts.
Provide picnic tables.
A small fishing platform with handicapped access.

Lake Colby
Wallace Memorial Park
Develop a four-season plan that includes year-round restrooms. Use guidelines for various winter events such as ice fishing, ice skating, ATV and snowmobile races.
Provide new sand on the beach and in the immediate swimming area.
Address the point and non-point stormwater runoff problems through a mitigation plan.
Develop a strategy to address the long-term control of non-native aquatic vegetation in the swimming area at the beach.
Land on Moir Road
Tear down the existing building on the Village-owned property adjacent to Wallace Memorial Park. Construct a large picnic pavilion in its place with a deck that provides handicapped fishing access.
Dedicate an area for a launch site for canoes and kayaks.
Walkways to the Beach
Address safety issues and enhance the sidewalk and trail from the Village to Lake Colby and Lake Flower.
Provide a more visible pedestrian crossing from the hospital to the Village's Wallace Park.
Saranac River
Plans for development are under the direction of the River Corridor Commission. Their plan is available in the Office of Community Development.

The Saranac Lake – Lake Placid Recreational Path. Adirondack North Country Association.

Information on the recreational path was largely provided by the Adirondack North Country Association. As of September 2006, the recreational path is in the planning stages. However, construction on the Saranac Lake to Ray Brook section is expected to commence in 2007. The Ray Brook to Lake Placid section of the path will likely be completed in 2008.

Eco-Tourism in the Adirondacks
Self-guides tours including heritage tours, water and scenic resource tours, and natural attractions site tours would be promoted through the Byway program.
Promotional materials would be created to direct visitors to recreational trails, scenic views, and fishing hotspots.
Marketing and Promotion
Additional publications telling of locations and descriptions of scenic views, wildlife watching, mountain biking, and natural resources would help promote byway resources. This requires collecting data to present to ARTC and I Love NY.
Encourage makers of roadmaps to highlight the byway route on their maps to ensure that visitors are aware of the byway no matter which brand of map they use.
Update county and regional websites to promote the byway.
Economic Development
Extend the tourist seasons. Activities such as heritage tours, wildlife watching, and community festivals are alternatives to traditional seasonal activities such as skiing or hiking.

Olympic Scenic Byway Corridor Management Plan, Town of Fine to Ray Brook.
Adirondack North Country Association.

CA reviewed the Olympic Byway Plan, with a specific focus on the Tourism, Marketing and Economic Development component, to understand any opportunities to enhance the Saranac Lake region using the byway as a resource. Based on this review, the above recommendations are pertinent to the Saranac Lake economic development strategy.

Adirondack Scenic Railway Information. Various sources.

Although no document specifically devoted to completion of the Adirondack Scenic Railway was available, this project was discussed in a number of the reports/studies previously mentioned in this memo.

As noted in the map above, a significant portion of the railway has been completed. Further, in December of 2006 a partnership of organizations received \$5 million to complete improvements to the section of rail extending from Saranac Lake to Tupper Lake. This will allow for tourist excursions to run between the two communities.



2004 Tourism Profiles for Essex & Franklin Counties. Northern New York Travel and Research Center.

These Northern New York Tourism Profiles provide an understanding of overall tourism trends in the Saranac Lake and greater North Country region, gain an understanding of the economic impact of tourism in the region, and use as a comparison point for the Saranac Lake Visitors Survey.

2002 Annual Average Tourism Employment				
	Franklin County	% of County	Essex County	% of County
Total Persons Employed	17,844	N/A	15,574	N/A
Gasoline Stations	228	1.28%	162	1.04%
General Merchandise Stores	201	1.13%	253	1.62%
Miscellaneous Store Retailers	62	0.35%	126	0.81%
Rental and Leasing Services	38	0.21%	16	0.10%
Arts, Entertainment, and Recreation ¹	574	3.22%	425	2.73%
Accommodation and Food Services ²	1,006	5.64%	2,285	14.67%

1: Performing arts, spectator sports, amusement, gambling and recreation, museums, parks, historical sites.

2: Accommodations, food services, drinking places.

The table above details the local employment base associated with the tourism industry, which is a major industry sector in both Franklin and Essex Counties. The tourism sector was also reviewed in detail in the Economic Overview section of this study.

The Saranac River Walk: A Conceptual Plan for River Access. The Village of Saranac Lake and the River Corridor Commission. October, 1992.

CA briefly reviewed plans for the river walk; the majority of this plan has already been implemented. The remaining portions of the river walk that are slated to be completed is the north anchor at Denny Park, accessibility access at Hydro Park and paverstone access to Beaver Park.

CA and the advisory committee interviewed a number of stakeholders to gain an understanding of key regional projects and their impact (or potential impact) on the Saranac Lake region, delve into questions raised during the data analysis portion of the project, and obtain multiple viewpoints regarding potential economic development initiatives in the Saranac Lake region.

External SWOT Assessment

As part of the economic development strategy, CA conducted an external strengths, weaknesses, opportunities and threats (SWOT) assessment for the Saranac Lake region based on the findings of the study, and a large body of prior work completed by the Red Carpet Committee. At a work session with the project committee, members were then asked to rank the SWOT.

For purposes of the assessment, SWOT was defined as follows:

- Strengths – Resources, assets and capabilities that can be used as the basis for developing a successful Community Economic Development Strategy.
- Weaknesses – Barriers, limitations, or the absence of certain qualities that prevent the region from achieving its economic development objectives.
- Opportunities – Favorable situations or resources that could enhance the regional economy.
- Threats – Potential obstacles faced by the community with respect to economic development.

Strengths and weaknesses are generally thought of as internal to the region, while opportunities and threats generally represent external pressures. The highest-ranked categories are on the following pages in order of Committee member priority, from highest to lowest.

Saranac Lake Region Strengths

Strengths	Votes	% of Total
Natural beauty and outdoor recreational opportunities and their ability to attract travelers and residents.	12	18.5%
Significant private sector employers including AMC, Paul Smith's College, AMA, Trudeau.	9	13.8%
Lifestyle – balance of work, play, family and friends.	8	12.3%
Biotechnology industry cluster (Trudeau, Bionique, Serological spin-offs).	7	10.8%
Arts, cultural and historic groups and assets – theater, Depot, artist galleries, etc.	7	10.8%
Downtown buildings – intact and historic character.	4	6.2%
Airport @ Lake Clear.	4	6.2%
Central location within the Tri-lakes (work force and consumer spending).	3	4.6%
Local Colleges - Paul Smith's and NCCC.	3	4.6%
Safety - Low crime.	2	3.1%
Civic organizations and volunteerism.	2	3.1%
Proximity to Lake Placid and its visitor market.	1	1.5%
Winter Carnival and its regional/national notoriety.	1	1.5%
Designations – “Best Small Towns”, All America City, National Trust.	2	3.1%
Access and availability to medical and health/wellness related services.	0	0.0%
Media outlets.	0	0.0%
New residents.	0	0.0%
Wilderness/environmental interpretation facilities – Wild Center and VIC.	0	0.0%
Significant shoulder season relative to other tourism areas of northern NY.	0	0.0%

Saranac Lake Region Weaknesses

Weaknesses	Votes	% of Total
Lack of affordable housing relative to pay scale.	10	15.9%
Lack of ingredients necessary to support high tech start-ups and/or other living wage jobs (i.e. technical educational institution(s)/programs, venture capital, commercialization of research, specialized entrepreneurial support, labor skills).	7	11.1%
Affordable and available band width for high speed Internet access.	8	12.7%
Distance from consumer, business and labor markets.	6	9.5%
History of regional development proposals – cautious developers, real and perceived.	5	7.9%
Lack of zoning regulations supported by comprehensive land use plan supported by vision.	6	9.5%
Lack of quality office space to serve projected professional sector job growth.	5	7.9%
Numerous political boundaries within one community and lack of shared services.	4	6.3%
Limited career advancement and income opportunities for young professionals.	3	4.8%
Lack of shovel ready industrial/commercial sites.	3	4.8%
Aesthetics - condition of downtown buildings, housing stock, Village neighborhoods and commercial district streetscape.	2	3.2%
Lack of major tourism attraction(s) - cultural and historic.	1	1.6%
Condition and availability of lodging and tourism facilities vs. other destinations.	1	1.6%
Lack of state and national political support.	1	1.6%
Significant employers relying on public funding support.	1	1.6%
Seasonal unemployment.	0	0.0%
Weather and its impact on tourism and workforce productivity.	0	0.0%

Saranac Lake Region Opportunities

Opportunities	Votes	% of Total
Capitalize on the convergence of the surrounding environment (as laboratory), existing environmental science programs offered at Clarkson, Potsdam and PSC, the national resurgence in sustainable development and the attention of state and national environmental groups in the Adirondack region ("an experiment").	10	25.6%
To serve as the retail center of the Tri-lake area - attract growing trade area retail spending.	7	17.9%
Tourism markets – targeted opportunities (LP, TL, baby-boomers, Finger Lakes, Saratoga, GF, etc.).	6	15.4%
Growing biotechnology industry and recently announced NYS EDC initiative ("the next big opportunity").	5	12.8%
Projected increases in professional service sector employment combined with limited supply of quality office space in the Tri-lakes.	5	12.8%
Big Tupper Ski Area & Lake Placid Convention Center developments.	2	5.1%
Increasing public investment in alternative energy (i.e. wind and hydro).	2	5.1%
Dramatically changing demographics (aging baby-boom generation) and its ramifications on tourism, housing and consumer spending.	1	2.6%
Canadian dollar value and access to metropolitan consumer markets (w/in 2 hours).	1	2.6%
Potentially favorable alignment of local, state and national political affiliations.	0	0.0%

Saranac Lake Region Threats

Threats	Votes	% of Total
Unable to define a vision that can garner support and lead to economic transformation.	11	17.2%
Increasing public service costs resulting from unfunded mandates and declining commercial property values relative to residential = rising residential property taxes.	12	18.8%
Continued increases in workforce housing costs.	10	15.6%
Big box development and lack of preparedness to deal with future proposals (zoning regulations).	7	10.9%
Ability of organized environmental groups to thwart future ED efforts.	5	7.8%
Greater loss of local retail sales and thus new businesses and tax revenue to other regional centers (i.e. outside VSL, Malone, Plattsburgh).	5	7.8%
Changing travel desires, demographics and increasing competition for alternative destinations (i.e. cruise ships).	5	7.8%
Economic development to the north (Plattsburgh and Malone) and its impact on labor pool.	3	4.7%
Sprawl in the gateways.	3	4.7%
Loss of major employer or downsizing of their workforce.	2	3.1%
Rising energy costs on residents, businesses and visitation.	1	1.6%
Uncertainty of weather and its impact on seasonal tourism economies.	0	0.0%
Plattsburgh airport development.	0	0.0%

As illustrated in the SWOT tables, there are many economic development challenges facing the Saranac Lake region, the most prevalent of which is a lack of significant labor, business and consumer markets. While the community has clearly made substantial progress over the past 15 years, it has been unable to create new jobs or experience household/per capita income increases at a pace consistent with the rest of the state and nation.

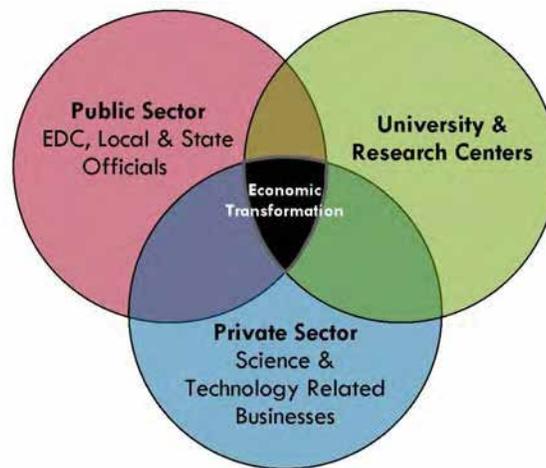
Increasingly so, labor is the number one site location determination for expanding and relocating businesses and will continue to drive future business investment decisions. Businesses need a ready and affordable supply of labor to remain competitive. While it is clear that much of the trade area's labor force is underemployed and/or seasonally employed, the overall size of the labor pool is relatively small.

In addition, high quality job creation in the U.S. is now becoming a function of the successful commercialization of scientific research (i.e. electronic, alternative energy, biological sciences, etc.) conducted by new divisions of existing corporations and/or new business start-ups. These start-ups continue to congregate around major research institutions which provide financial and intellectual support through incubator facilities, technical assistance, a ready supply of trained labor and access to venture capital.

Still, there are assets that make the region unique from others in upstate New York, not the least of which is its natural environmental beauty, existing regional bio-science and environmental research institutions, its central location within the Tri-Lakes, the balanced life style it offers residents and a growing arts and cultural community. It will be these assets that the region will need to exploit if is going to successfully turn around the long-term economic trends it has experienced.

Market Opportunities and Economic Vision

Economic and demographic trends suggest that, barring a significant economic transformation, the Saranac Lake region is likely to experience continued stagnant to slow economic growth relative to the New York State and the U.S. economy over the next decade. Economic gains in the Southeast, Southwest and Western areas of the U.S. will continue to capture private investment and wealth at a rate that greatly exceeds that of the Saranac Lake region. The result will be the continued exodus of the area's youth to other more prosperous regions of the country, a decline in personal wealth for Saranac Lake residents and continued increases in property taxes relative to household income. To break this negative cycle, a bold economic vision and aggressive strategy will be required.



Current thinking in economic development emphasizes the importance of public-private partnerships in achieving economic transformation. Such partnerships often involve state, local and economic development leaders, university research centers and private enterprise combining efforts and financial resources to heighten their competitive advantage in research and development, as well as commercialization, of new products. These public-private partnerships are important because they leverage the investment necessary to undertake initiatives which may not be feasible for the private sector alone, but which lead to meaningful job creation and economic growth.

This model of economic development is not new. Public investment to construct navigable waterways, railways, highways, and water and sewer infrastructure is what drove private investment and built the Empire State. Perhaps the world renowned success of Silicone Valley has brought to light for those in the economic development profession the ingredients needed to transform an economy today. To achieve success, today's model requires that public investment be engaged in a different form of infrastructure that includes the development, commercialization and dissemination of knowledge. This type of partnership has led to the development of other successful regions including the Austin, Texas Research Triangle. Currently, a similar partnership is spearheading the initiative to develop NY's "tech valley."

Economic development scholars agree that the combination of government funding, governmental and University research, venture capital and private investment is the major factor contributing to the success of these regions. From these partnerships and investment have come new discoveries and patents in electronics, energy, communication, and medicine, some of which is then commercialized, marketed and produced by private enterprise.

As the Saranac Lake Region moves to establish its own vision for economic transformation, it should consider this science and technology-based, public-private partnership model. In addition, the region must look to its existing assets and industry sectors to build a balanced and diversified economy.

Identifying Opportunities

To overcome the challenge that the region's remote location poses for economic development, local leaders must first recognize its shortcomings, acknowledge the need to build a foundation for future quality employment growth and begin to implement a Comprehensive Economic Development Strategy that contemplates both long- and short-term market opportunities.

For long-term economic transformation to occur in the Saranac Lake region, the feasibility of a science/technology/research partnership must be studied. In the short-term, however, the Saranac Lake region must continue to capitalize on its most unique assets. Based on market research, economic and demographic data, stakeholder discussions, current economic development theory and general observations, we believe the following long- and short-term market opportunities should be further explored:

Long-term Opportunity

1. Establish the Region as a Center for Environmental Enterprises. – It has been said that the Adirondack Park is a “national model” for creating a region that preserves the environment while allowing local communities to thrive in its midst. However, for many of the region's residents it has achieved environmental preservation at the expense of economic development within the Park's small communities.

The establishment of the Adirondack Park Agency coincided with the birth of the national environmental movement. Many state and national groups with an interest in preserving the Park have evolved since the 1970's and their members continue to fight for its conservation today. While some consider these groups to be wholeheartedly opposed to economic development, they have most recently supported projects that are in keeping with the environmental conservation theme of the Park. One recent case in point is the development of the Natural History Museum of the Adirondacks, which is expected to attract additional visitors and spending to the region.

As a result, there are three realities that we believe define the opportunity of establishing the Saranac Lakes region as a national center for the commercialization of research in environmental sciences.

First, is the need for the area to establish a vision that will offer true economic transformation and bring high quality jobs to the area. Again, this is accomplished today through public private partnerships that lead to the commercialization of research and requires strong participation from educational institutions, state and local government and private industry.

Second, the Adirondack Park offers a truly unique setting in which to conduct environmental research. A cluster of environmental research groups and university research institutions have already been established throughout the North Country. These institutions include The Adirondack Research Consortium, Paul Smith's College's Adirondack Watershed Institute, Houghton College's Au Sable Institute, SUNY's College of Environmental Science & Forestry, Clarkson University's Center for the Environment, SUNY Potsdam's Environmental Studies Program and Plattsburgh State's Center for Earth & Environmental Science and Lake Champlain Research Institute. Combined, these organizations provide the initial research investment, skilled labor and laboratory facilities that exceed most other regions of the world. As occurred in Silicone Valley, other more distant research institutions within the State are likely to join a consortium that begins to show success. Higher profile institutions may eventually include the University of Rochester, RPI and Columbia University's environmental science programs.

Third, the interest and influence of environmentalists in the health of the Park endows the region with significant and influential partners. The Adirondack Council, Adirondack Park Agency, Audubon Society and other groups that, first and foremost, support the preservation of the Park's forests and waterways, are likely to support the fundamental concept of making the region a center of activity that advances their mission.

Long-term, the convergence of these institutions can position the region as a cutting edge location for environmental research. In fact, the setting itself has the ability to attract those that pursue this field and will ensure a ready supply of labor. This quality labor supply will drive private investment to the area through start-up and relocating businesses that want to have the competitive advantage of a highly skilled labor pool.

2. Establish the Saranac Lake Region as a Nationally Recognized Center for Biological Sciences – although similar to the environmental research opportunity, this segment builds on an existing cluster of bioscience firms and institutions already located in the region (Trudeau, Bionique, and new start-ups resulting from Serological's relocation), as well as New York State's recently announced NY LOVES BIO campaign.

Serologicals, which was recently acquired and relocated, spawned a couple of new bioscience companies in the Tri-Lakes. In a favorable environment, these existing and new businesses may create new job opportunities and demand for commercial and laboratory space. In addition, the demand for labor has the potential to draw from area colleges, as for example, from Paul Smith's College new 4-year biology program.

Short-term Opportunities

1. Build the Region's Arts, Historical and Cultural Tourism Offerings – while the region's current limited access to labor, business and consumer markets is a primary weakness, its natural beauty and isolated setting also make the region a significant destination for travelers. Tourism has and will continue to offer opportunities for regional economic development. While this sector does not offer high quality jobs, visitor spending supports a commercial tax base and amenities that might not otherwise be available to residents in a rural community (hospital, boat launch, hiking trails, ski facilities, etc).

Target Tourism Market Segments

Research and visitor survey findings identified the following segments that define the art, historical and cultural market theme:

i.) Out-of-State Visitors – Out-of-state travelers have the most significant impact on Saranac Lake. As determined by the summer visitor survey, these individuals represent 39% of all local spending on retail goods and services. These out-of-state visitors also represent 37% of all visitors and stay longer than the average tourist. In addition, most out-of-state visitors are learning about Saranac Lake while visiting Lake Placid. As such, marketing efforts should be focused on attracting these visitors through advertisements at Lake Placid venues. Like other respondents, these visitors appreciate historical and cultural attractions and noted an absence and need for these venues in the Saranac Lake region.

ii.) Finger Lakes & Central NY Residents – This region of the State, particularly the Finger Lakes area, represents a significant tourism market for the Saranac Lake region. Saranac Lake offers what consumers from this geographic market desire in a travel destination including boating, kayaking, canoeing, hiking, and other outdoor activities. Finger Lakes and CNY region visitors also stay longer, spend more, and combined represent approximately 18% of total tourism spending and 16.5% of the total visitors to the community.

iii.) Baby-boom/retirees - This opportunity is the result of the rapidly growing empty nesters residing throughout upstate New York and northern New Jersey. Forty-two percent (42%) of visitor survey respondents were traveling with a spouse/partner and without children. As an aside, this consumer segment may also be looking for a 2nd home location and eventually a full or part-time retirement residence. With waterfront property no longer affordable, they are beginning to look for properties within a 2 to 3 hour drive of their permanent residence and in communities that offer cultural, entertainment, shopping and outdoor recreation amenities.

The geographic and demographic tourism segments above represent a growing sector of the travel market with high participation rates in art, history, and cultural attractions. This theme complements, rather than competes, with the region's natural beauty and neighboring Olympic venue attractions.

Note: While Capital Region visitors represent almost 9% of all Saranac Lake tourists, they have shorter stays and spend less per day than the average traveler. As a result, the

Capital Region as a whole is not considered a target market opportunity. Furthermore, based on today's changing conference market, there is no indication that the Saranac Lake area will be competitive in attracting business travelers for retreats and conferences. These events now occur in larger more accessible metropolitan areas with ample lodging facilities.

2. Establish the Saranac Lake Region as a Retail Center for North Country Residents – Visitor surveys indicated that the Saranac Lake area serves as a retail center for residents living in the surrounding region. Compared to other visitors, North Country respondents spent almost twice as much as other shoppers on clothing/apparel and gifts. Trade area retail sales data, combined with Saranac Lake's central location in the Tri-lakes, indicate that the community is ideally positioned as a retail center location that serves permanent North Country residents.

3. Establish the Saranac Lake Region as a Convenient Location for Professional Services for Area Residents– As illustrated in the economic analysis memo, professional service employment is one of the few segments expected to maintain a healthy growth rate in Franklin and Essex Counties over the next decade. Demand for office space is a direct function of changes in professional service employment. The Village's central location between Lake Placid and Tupper Lake, combined with the recent and anticipated future increases in professional service regional employment growth provide the Saranac Lake area with an opportunity to serve as a location for professional service businesses. This will result in increased job opportunities, increase demand for quality office space, increase commercial property values and improve the region's commercial tax base.

4. Pursue Attraction of a Diversity of Small to Medium Sized Businesses – Small professional service businesses that do not require proximity to their customers, an ample supply of skilled labor, or a highly technical and specialized labor force make an ideal target for business attraction. While not anticipated to be a driver of major economic growth on its own, this group of businesses can provide sustainable job growth for area residents.

Simultaneously, these businesses are expected to be owned by entrepreneurs with a strong desire for the Tri-lakes lifestyle. Most of them are likely to have experienced the Tri-lakes area as a vacation destination or as resident youth looking to return with their own young family. One such example is Auleron Technologies Group, which recently relocated to the Lake Placid area because its owner wanted to return home.

After identifying and voting on the SWOT, a draft vision statement for the region was developed. This draft vision was presented and discussed during numerous work sessions. The following vision statement was ultimately developed for the Saranac Lake region.

Saranac Lake Region Economic Vision Statement

“The greater Saranac Lake region of the Adirondacks is poised to become a distinguished location for environmental and biological based businesses. The region will become home to an increasing number of private businesses engaged in the development of products and services to fill the needs of a global, knowledge-based economy. Skilled employment opportunities for residents will be supported by well planned business locations, quality office space, world-class telecommunications and broadband infrastructure and a superb quality of life. Along with a unique mountain lifestyle, supporting health and wellness industries, the region will offer quality housing; a downtown with extensive retail shopping; arts, entertainment, cultural venues; and enjoyable public areas.”

Economic Development Goals and Initiatives

1.0 Business Attraction

Although there are a number of potential barriers to attracting businesses to the greater Saranac Lake region, this document identifies economic segments in which the area can sustain a competitive advantage. To that end, the following programs, policies and projects are recommended:

1.1 Develop a Micro-Enterprise Program that Supports Entrepreneurs in Downtown Saranac Lake – A microenterprise program consisting of technical and/or financial assistance, should be established to support existing and new businesses in the region including arts and other businesses targeted for downtown. This program would be designed to provide artists with business skills training and access to affordable financing for establishing a new business.

Priority: Medium
Timeline: 2-4 Years
Lead Agency: TBD /WEBC
(Adirondack Economic Development Corp/Women's Entrepreneurial Business Corp.)

1.2 Develop a Target Retail List and Design and Develop Marketing Material – The sales leakage data clearly supports the need for further retail development within the region, particularly groceries and general merchandise goods. Further, this data is supported by the visitor survey results. Visitors desired a greater choice of retailers, and the Village is clearly serving as a micro retail center for nearby residents. To promote appropriate retail development, commercial developers that have experience working with franchise retailers must be identified and then contacted for potential interest.

Priority: High
Timeline: 2007
Lead Agency: VSL-OCD/RCT (Red Carpet Team)

1.3 Further Explore the Feasibility of the Region as a Location for an Applied Environmental/Biological Enterprises– One of the initial steps towards realizing the vision of the region is to fully evaluate and, if feasible, begin promoting the region as an environmental/biological sciences research area. Early steps towards business attraction include developing a knowledge base of current research in the region and fostering relationships with those involved agencies and individuals, discussing opportunities for the commercialization of research, and identifying existing environmental businesses.

Priority: High
Timeline: 1-2 years
Lead Agency: VSL-OCD/TBD

This concept may, for example, begin with:

- Providing the Adirondack Research Consortium (ARC) with affordable office space.
- Attracting the ARC's annual conference back to Saranac Lake.

1.4 Identify or Develop a Seed Capital Revolving Loan and Equity Fund to Support New Business Development – Emerging technology business development models have a strong financial support component. This support usually takes the form of venture capital, and on occasion, publicly funded revolving loan funds. Establishing affordable financing avenues will support the transfer of research to business venture. Initiatives may include the following:

- Facilitating additional relationships between researchers and venture capitalists.
- Working with research partners to secure support and funding through the U.S. EPA and others.
- Establishing a grant and/or low interest revolving loan fund.
- Identifying and securing the interest of other financing organizations such as the North Country Alliance (NCA) or Small Business Administration (SBA).

Priority: Medium
Timeline: 2-4 years
Lead Agency: TBD/LDC (Newly formed Local Development Corp.)

1.5 Market the Saranac Lake Region as the center for Applied Environmental/Biological Enterprises – Marketing the region is a significant step towards the ultimate goal of business attraction and expansion. The branding effort needs to convey the message that individuals living in the region value the environment and live in a place where research occurs and is applied. Specifically, this effort may include the development of educational programs, adopting local policies that embrace local environmental protection, and incorporating this theme into marketing materials and special events.

Priority: High
Timeline: 2007
Lead Agency: SLACC

2.0 Business Retention & Expansion

Business attraction is difficult in the Saranac Lake region primarily as a result of its lack of proximity to business, consumer and labor markets. As a result, the area must look to existing businesses that are able to remain competitive and have advantages to staying in the area over the long-term.

Through regular communication with existing businesses, economic development officials can identify issues that may become problematic, and develop programs, initiatives and/or policies that work toward the long-term retention of businesses and jobs.

2.1 Develop a Formal Business Retention & Expansion Program – The purpose of a business retention and expansion program is to develop partnerships with existing business

owners to help them address problems and capitalize on market opportunities. Actions typically included in a retention and expansion program include:

- Annual business visits.
- Round table discussions with business leaders from critical industry segments (i.e. tourism, biological sciences, environmental sciences, retail, etc..).
- Presentations by other organizations that provide technical assistance, financing and tax incentive support.
- A review of local policies and regulations to ensure a clear and streamlined permitting process, etc.

Priority: High
Timeline: 1-2 years
Lead Agency: SLACC

3.0 Commercial Redevelopment

Based on the study’s findings, a number of industrial, commercial and mixed use areas within the study region are underutilized or in need of investment. In addition, there are current and anticipated changes in demand for lodging facilities, office and retail space, and residential units that will create opportunities for development and/or redevelopment. In an effort to capitalize on these opportunities, however, the Saranac Lake region must address and initiate a number of regulatory and programmatic issues. The following recommendations are designed to promote private development interest and investment:

3.1 Complete Comprehensive Plan Update and Zoning Revisions to Guide Development— In an effort to prepare for a variety of future development proposals, the region will need to determine what is acceptable and how it can best align its land use and building regulations to promote and guide desired development. The most effective tool for guiding development is the preparation of a Comprehensive Land Use Plan and supporting zoning regulations.

Priority: High
Timeline: 1-2 Yyears
Lead Agency: VSL-OCD/CPC (Comprehensive Planning Commission)

3.2 Create a Commercial Building Improvement Program (CBIP) for Interior Commercial Space Investment – Unfortunately, a stagnant upstate economy has limited the amount of private investment spent on improving commercial properties. A number of communities throughout New York have successfully implemented a CBIP to address deteriorating conditions and help close a financing gap. These programs typically utilize public funding (grants and/or low-interest loans) in combination with private investment to stimulate investment in vacant and/or underutilized commercial structures. A CBIP is typically funded through the Governor’s Office for Small Cities, Small Cities Program and can serve as the “gap financing” needed to foster private property investment.

Priority: High
Timeline: 1-2 years

Lead Agency: VSL-OCD/LCD

3.3 Develop and Secure Funding for a Lodging Improvement Program to Improve the Quality of Existing Facilities – With a few notable exceptions, including nearby Lake Placid, the Adirondack Park has an overall shortage of lodging facilities that can meet the markets current expectations. In fact, many of the regions accommodations include one room hotel/motel facilities. Today’s travelers require larger well furnished rooms with an exercise facility, indoor pool, wireless Internet access and a restaurant or pub on site. In addition, many hotel chains have become popular because of the consistency of the product and service the customer has become accustomed to. A lodging improvement program, which would function similarly to a CBIP, would also serve to leverage private investment in existing lodging facilities, improve occupancy rates and lead to increased total visitor spending in the region. In short, visitor spending is directly related to the quality of lodging available, as visitors with high disposable income tend to prefer higher quality lodging.

Priority: Medium
Timeline: 2-4 years
Lead Agency: TBD/LDC

3.4 Promote Private Investment in the Development/Redevelopment of Underutilized Target Areas – The Saranac Lake region has a number of vacant or underutilized areas that could potentially capitalize on redevelopment opportunities. A lack of available retail and Class A and B office space, and increased demand for housing have increased the cost of acquiring or leasing existing space. To meet demand and guide development that is consistent with the region’s vision and character, underutilized areas and redevelopment opportunities should be identified. These areas and opportunities may include the following:

- Depot Street/Upper Broadway – mixed use retail and second floor office and housing
- Lake Flower Avenue – retail gateway and Lake Flower lodging facility redevelopment
- Bloomingdale Avenue and Hamlet – mixed uses including agriculture, rural residential, retail gateway, and mixed use hamlet.
- Raybrook – commercial and single family residential

Priority: High
Timeline: 1-2 years
Lead Agency: VSL-OCD/LCD

4.0 Tourism Marketing & Visitor Attraction

Tourism will continue to be a significant segment of the region’s economy. However, growing competition due to investment in other regions has eroded the Saranac Lake region’s market share. In addition to improvements to lodging facilities, the visitor survey and research findings also revealed other improvements and initiatives that should be considered in an effort to target specific traveler markets, enhance the current offering and create a new brand for the area. The following actions are recommended:

4.1 Develop a Marketing Strategy That Targets the Key Tourism Market Segments –

With the growing competition from other regions for visitor spending, the Saranac Lake region must continue to utilize its limited marketing resources in a cost effective manner. As the visitor survey and tourism interview findings determined, travelers originating from out-of-state, the Finger Lakes region and the North Country have the greatest economic impact on the Saranac Lake region. Out-of-state visitors are attracted to the area while visiting Lake Placid, while Finger Lake visitors state that the Saranac Lake region offers the activities they desire at an affordable price. While North Country residents have the shortest stay, they spend the most of any visitor category per day. This is due to their consumer behavior and use of Saranac Lake as a micro retail travel destination.

Priority: High
Timeline: 2007
Lead Agency: SLACC

4.2 Develop and Implement a Signage Plan to Improve Signage for Visitor Venues Including Arts, Cultural and Outdoor Attractions –

A number of visitors, through the summer visitor survey, noted that regional attractions were frequently difficult to locate. To address this issue, signage needs to be addressed at prominent locations. Further, this signage should perhaps consider incorporating the new “environmental theme” as part of the overall effort to brand the region.

Priority: High
Timeline: 1-2 years
Lead Agency: VSL-OCD

4.3 Encourage Investment in Existing Arts, Historic, Cultural and Entertainment Attractions –

Summer visitor survey respondents clearly perceived Saranac Lake as having too little to do. To address this perception, existing attractions should be better advertised and new venues developed. Any new venue should be consistent with the region’s environmental theme and identified target markets.

Priority: Medium
Timeline: 204 years
Lead Agency: SLACC

4.4 Explore a Regional Marketing Campaign with Lake Placid and Tupper Lake –

Currently, much of the marketing for the Tri-Lakes region focuses on one municipality or attraction rather than the overall appeal of the region. As tourism competition grows, so too does the need for regional partnerships that develop and package attractions and special events.

Priority: High
Timeline: 1-2 years
Lead Agency: TLMC (Tri-Lakes Marketing Committee)

5.0 Housing

5.1 Promote Mixed-Use Development in Downtown Saranac Lake; Promote New Housing on Upper Floors of Commercial Properties – Mixed-use developments have become increasingly common in town and village centers throughout the country. In fact, current zoning theory no longer supports the separation of uses. Mixed-use zoning in the Saranac Lake region would allow for desired business growth in the downtown areas while helping to create the “critical mass” of people necessary to support these businesses. Specifically, mixed-uses should be encouraged along upper Broadway Avenue and in the Depot Square area.

Priority: Medium
Timeline: 2-4 years
Lead Agency: VSL-OCD

5.2 Identify Vacant and Underutilized Parcels and Buildings for New Market Rate and/or Workforce Residential Housing Development – Largely due to demand from 2nd homeowners, the Saranac Lake region has a shortage of housing options for its workforce. According to stakeholder interviews, businesses seeking highly skilled employees often have to search for these individuals through national advertisements. However, these efforts are often thwarted by the lack of quality affordable housing. Vacant and/or underutilized parcels should be identified for new infill housing development.

Priority: High
Timeline: 1-2 years
Lead Agency: VSL-OCD/IDA’s (Industrial Development Agency’s)

5.3 Modify Zoning to Require Combinations of Market Rate, Workforce, and Affordable Housing in New Developments – in an effort to further address the region’s housing shortage, local governments will need to consider modifications to their zoning code that will require the development of a variety of housing types with residential and commercial development proposals.

Priority: Medium
Timeline: 2-4 years
Lead Agency: VSL-OCD/Town Planning Boards

6.0 Quality of Place Improvements

6.1 Develop a Saranac Lake Downtown Streetscape Redevelopment Plan Based on the New Vision for the Community – To make the community attractive to those individuals and businesses the Village is seeking to attract, a streetscape redevelopment plan should be designed and implemented. This plan should encompass most of the downtown area, including Lake Flower Avenue, Church Street, Depot Square, Broadway and Main Street.

Priority: Medium

Timeline: 2-4 years
Lead Agency: VSL-OCD/LDC

6.2 Aggressively Implement the Local Waterfront Revitalization Plan (LWRP) to Improve Recreational Opportunities and the Attractiveness of the Area – Specific initiatives to be pursued include additional boat docks, boat/canoe/kayak rentals, improved pedestrian access to Lake Flower and the Saranac River and beautification enhancements.

Priority: Medium
Timeline: 2-4 years
Lead Agency: VSL-OCD

6.3 Develop a Downtown Wireless Network – Free wireless Internet service has become increasingly common at lodging facilities, in coffee shops and at other venues. A downtown wireless network would contribute to the overall attractiveness of the downtown and help to promote the community as a technology savvy region. Further, broadband Internet service, while available for residents, is currently very costly—so this initiative would benefit residents as well. This effort would also be complimentary with the “fiber ring” currently under development.

Priority: Medium
Timeline: 2-4 years
Lead Agency: RCT

7.0 Economic Development Organization & Management

7.1 Establish a Local Development Corporation (LDC) for Property Assembly, Ownership and Development – There are numerous advantages for establishing an LDC including the ability to facilitate development and the defederalization of HUD program income. To be successful in its economic development efforts, the region will need to be aggressive. This will likely require assembling parcels and securing property rights, both of which are not permitted activities of municipal governments. This entity will also require experienced management, financial and leadership from development professionals.

Priority: Medium
Timeline: 2-4 years
Lead Agency: TBD/VSL-OCD

7.2 Identify and Secure a Leader to Facilitate Development of the Environmental Biological Business Concept – Facilitating the environmental business concept will also require experienced leadership. Current economic development committee members recognize that the pursuit of this vision will require an individual with the ability to develop relationships, understand environmental science issues, access a network of venture capital and create public private partnerships that understand the process necessary to successfully commercialize scientific research.

Priority: Medium
Timeline: 2-4 years

Lead Agency: VSL-Board of Trustees

7.3 Identify and Select a Board Experienced and Networked with Private Environmental Businesses, Research, Economic Development and Government Agencies – Similar to securing an experienced leader, a Board comprised of individuals with resources and networks that stretch beyond the North Country and into the world of environmental studies will be required.

Priority: Medium
Timeline: 2-4 years
Lead Agency: VSL-OCD

8.0 Project/Funding Priorities

8.1 Municipal Organization – The NYS Department of State offers funding to municipalities to examine shared municipal services. Given the jurisdictional issues confronting the Village (multiple towns and counties), consolidating services should remain a major priority. Engage the services of a professional consultant to analyze a full range of options and logistical recommendations.

8.2 New York Main Street Program – The Village is currently completing a successful downtown revitalization program, funded by the NYS Department of Housing and Community Renewal (DHCR). Further, the Village has been advertised by DHCR as a “model” program. For these reasons, funding should be sought to continue this program.

8.3 Energy Pilot/Demonstration Programs – The New York State Energy Research and Development Agency (NYSERDA) provides funding for energy pilot/demonstration programs. These programs frequently involve the use of new energy efficient technologies and are highly visible programs. A project in the Saranac Lake region involving alternative energy technologies would further serve to support the new environmental vision for the region.

8.4 Lodging Improvement Program – Through the Office for Small Cities funding is available for municipalities to run locally focused grant and/or loan programs. This type of program could be focused on the Village of Saranac Lake, or on a regional basis encompassing Ray Brook, Tupper Lake, and other areas. As noted previously, this program would serve to address the lack of high quality lodging in the region.

8.5 Commercial Building Improvement Program – Similar to the lodging improvement program, the Village could pursue a commercial building improvement program. This program typically focuses on interior improvements to commercial space, and should be focused on a relatively small target area within the Village of Saranac Lake.

8.6 Microenterprise Loan Program – Another program available through the Office for Small Cities focuses on loans to microenterprises to stimulate business growth within a specific industry sector or target area within a community. This program should be considered to promote the growth of niche industries currently in the Saranac Lake region (i.e. arts businesses) and targeted businesses for economic transformation.

8.7 Wireless Communities Program – Empire State Development (ESD) offers a “Wired Buildings/Wireless Communities” reimbursement grant program. The “wired building” program is designed to install broadband Internet connections and wiring in selected buildings. This program is targeted to non Class-A commercial buildings. The “wireless communities” program aims to provide wireless broadband Internet infrastructure to a commercial business district.

8.8 Restore NY Grant Program - Empire State Development also offers the **Restore NY** grant program; the Village of Saranac Lake was awarded a small amount of funding through this program in 2006. The Village should consider modifying its previous funding application and considering other potential projects for submission under the Restore NY program.

8.9 Quality Communities - The New York State Department of State offers a wide variety of funding opportunities through the **Quality Communities** program. This includes funding for streetscaping and implementation of waterfront redevelopment plans.

Addendum

Table of Acronyms

Acronym	Definition
AEDC	Adirondack Economic Development Corporation
OCD	Village of Saranac Lake Office of Community Development
SLACC	Saranac Lake Area Chamber of Commerce
TLMC	Tri-Lake Marketing Committee
RCT	Saranac Lake Red Carpet Team
VSLBT	Village of Saranac Lake Board of Trustees
CPC	Comprehensive Planning Committee
ANCA	Adirondack North-Country Association
IDA	Industrial Development Agency (Franklin and Essex Counties)

Table of CEDS Goals, suggested lead agencies, and priorities

Sorted By Goals

Goal #	Priority	Agency 1	Agency 2
1.1	M	TBD	WEBC
1.2	H	OCD	RCT
1.3	H	OCD	TBD
1.4	M	TBD	LDC
1.5	H	SLACC	
2.1	H	SLACC	
3.1	H	OCD	CPC
3.2	H	OCD	
3.3	M	TBD	
3.4	H	OCD	
4.1	H	SLACC	
4.2	H	OCD	
4.3	M	SLACC	
4.4	H	TLMC	
5.1	M	OCD	
5.2	H	OCD	IDA
6.1	M	OCD	
6.2	M	OCD	
6.3	M	RCT	
7.1	M	TBD	OCD
7.2	M	VSLBT	
7.3	M	OCD	

Sorted by Lead Agency

Agency 1	Agency 2	Goal #	Priority
TBD	WEBC	1.1	M
TBD	LDC	1.4	M
TBD		3.3	M
TBD	OCD	7.1	M
OCD	RCT	1.2	H
OCD	TBD	1.3	H
OCD	CPC	3.1	H
OCD		3.2	H
OCD		3.4	H
OCD		4.2	H
OCD		5.1	M
OCD	IDA	5.2	H
OCD		6.1	M
OCD		6.2	M
OCD		7.3	M
RCT		6.3	M
SLACC		1.5	H
SLACC		2.1	H
SLACC		4.1	H
SLACC		4.3	M
TLMC		4.4	H
VSLBT		7.2	M