

CLINTON COUNTY EMPIRE ZONE #56

Empire Zone Development Plan

(as required pursuant to Section 962 of the General Municipal Law)

Adopted December 8, 2005

Revised April 4, 2007

SECTION I. OVERVIEW

The Clinton County Empire Zone #56 was originally granted in 1998 to assist in the economic development recovery effort following the closure of the former Plattsburgh Air Force Base (PAFB) in 1995. The loss of PAFB was projected to have a significant negative impact on the economy of Clinton County. PAFB employed over 3,000 people, including approximately 800 civilians. It is estimated that PAFB provided over 43 million dollars in annually generated expenditures and that the loss of the military mission at Plattsburgh would reduce economic activity by about 8 percent. The closure of PAFB also resulted in the sudden availability of 3,500 acres of land, two million square feet of aviation-related buildings, one million square feet of non-aviation buildings, and a world class runway in excess of two miles in length. Not insignificantly, all these assets are located in the heart of the County, adjacent to the most densely populated and developed center of the County and region.

A decade has passed since the closure of the Plattsburgh Air Force Base. The dire predictions of some have not been realized, primarily due to the organized and cooperative effort of local government, and the aggressive marketing and development activities of the locally established Plattsburgh Airbase Redevelopment Corporation (PARC). The designation of Empire Zone 456 was one of several economic development tools utilized by PARC to successfully redevelop portions of the former base.

Portions of the former base remain vacant and in need of redevelopment, and represent an opportunity for further economic development in Clinton County. For this reason, this development plan continues to focus on the former Air Force Base for the establishment of redesignated Empire Zone acreage. Clinton County is not without other economic development opportunities however. Our proximity to Montreal, the largest seaport in North America, and location along the major land route between Montreal, Albany and New York City presents an immense opportunity to attract Canadian businesses seeking an entry into the United States market. A major renovation effort of the border facilities, now underway, will likely enhance those opportunities.

Another, more recent economic development opportunity (or distress) has surfaced recently. The Wyeth Corporation, a multi-million dollar pharmaceutical research and manufacturing company, and the largest private employer in Clinton County, recently announced that it will close its plant in Rouses Point Village gradually over the next three years. The expansive physical plant covers

over forty acres of land area, and is uniquely suited to commercial pharmaceutical manufacturing and pharmaceutical research and development. The plant enjoys the low electricity costs of the municipal electric system of Rouses Point and is located less than a mile from the Canadian border.

Lastly, Clinton County is in the process of relocating the Clinton County Airport to the former Plattsburgh Air Force Base, and expects the move to be completed by the end of 2007. This relocation will result in the availability of the Clinton County Airport property for development. The airport has in excess of 700 acres of flat land, access to utilities, is adjacent to the Clinton County Air Industrial Park, and is located along the NYS Route 3 corridor, which is one of the most active commercial development areas in the County.

In order to capitalize on the economic development advantages described above, this development plan has established six separate and contiguous areas that target the following: existing industrial parks located on or near the highly desirable U.S. Route 87 highway corridor; the most developable portions of the former Plattsburgh Air Force Base; the entire physical plant of the Wyeth Corporation in Rouses Point; and a significant portion of the soon-to-be vacated Clinton County Airport. Targeting the Empire Zone subareas at these locations accomplishes several key objectives: focusing on economically distressed, or soon-to-be distressed areas of the County; attracting and retaining industries/businesses for purposes of creating additional jobs and increasing capital investment; fostering the expansion of existing industries and businesses; prioritizing development along U.S. Route 87 corridor to take advantage of the market created by the burgeoning development activity in Montreal, Canada; and focusing on sites that are highly suitable for development taking into account such factors as access, land use regulations, and availability of utilities.

The types of businesses that are targeted in this development plan are also reflective of the opportunities that exist in Clinton County, as well as the value inherent in the Empire Zone program. Because of the substantial base of transportation-related manufacturers and suppliers in the greater Plattsburgh region, including both rail and aerospace, this type of business was viewed as a good fit for our zone. Other businesses that are desirable, either because of the inexpensive utility rates present in certain areas of the County or the existence of suitable plant facilities, include plastics manufacturers and the pharmaceutical industry. By virtue of our location along the previously mentioned Interstate 87 corridor between centers of industry and commerce, warehousing and distribution businesses are also viewed as high prospects. Lastly, aviation businesses such as cargo, maintenance and passenger service related are considered to be highly

valued.

Although our position along the Canadian border and status as a regional commercial center makes Clinton County an attractive location for new commercial activity, commercial businesses are not included as targets for the Empire Zone. It is generally believed that the Empire Zone benefits have more value for attracting new manufacturing businesses and industries that can be located anywhere, and need some enhanced economic incentive to attract them to Clinton County.

Lastly, the Clinton County Empire Zone recognizes the presence of a second Zone within the County, the Plattsburgh Empire Zone. Communication between the two zones is excellent, allowing for a level of coordination that maximizes the benefits provided under the program. The two zone programs had many discussions during the course of completing the respective development plans and redesignating the separate and contiguous areas.

The remainder of this plan provides more detail on the beliefs and strategies adopted by our Zone Administrative Board to employ the Empire Zone Program in the most effective manner possible towards improving the economic environment of Clinton County.

SECTION II. GOALS AND STRATEGIES

As identified in Section III of this Plan, six Distinct and Separate Contiguous Areas (DSCAs) have been identified for Empire Zone #56. Several goals and strategies are common to all of the DSCAs, while other goals and strategies are listed for specific DSCAs. All goals and strategies are listed below.

Goals and Strategies Common to All Distinct and Separate Contiguous Areas:

GOAL 1: To attract new industries/businesses for purposes of creating additional jobs and increasing capital investment.

STRATEGY 1: Attract new businesses/employers (by lease or purchase of land/buildings) to targeted areas within the County that are suitable and ready for development.

STRATEGY 2: Attract new businesses/employers to other areas of the County that are not within an Empire Zone, but that provide unique resources sought by a prospective business and are suitable for new development or redevelopment.

STRATEGY 3: Utilizing our position along the international border with Canada, attract Canada/Montreal -based companies seeking an entry into the U.S. Market.

GOAL 2: To retain industries/businesses and the jobs, diversity and investment they contribute to a stable Clinton County economy.

STRATEGY 1: To retain businesses/employers that have already made an investment in or are located in the Empire Zones that have been established by Clinton County Empire Zone #56 through: administration and education of the range of Empire Zone benefits that exist; introducing employers to the various programs that exist on the local and state level that provide resources and technical assistance specifically for private employers; and listen to and advocate for initiatives at the local, state and federal levels that assist private business and are consistent with the maintenance of quality of life concerns.

GOAL 3: To assist in the expansion of existing industries/businesses and the jobs, diversity and investment they contribute to a stable Clinton County economy.

STRATEGY 1: To assist businesses/employers that have already made an investment in or are located in the Clinton County Empire Zones to expand their operations or physical plant through: administration and education of the range of Empire Zone benefits that exist; introducing employers to the various programs that exist on the local and state level that provide resources and technical assistance specifically for private employers; listen to and advocate for initiatives at the local, state and federal levels that assist private business and are consistent with the maintenance of quality of life concerns; and provide information of alternatives for relocating within the County if the present location does not allow desired levels of expansion to

take place.

GOAL 4: To coordinate with the City of Plattsburgh Empire Zone officials in order to maximize the overall potential of the program in Clinton County and avoid conflicts.

STRATEGY 1: To meet at least annually with the City of Plattsburgh Empire Zone Administrative Board or Coordinator for the purpose of discussing the status of the respective zones, including what is working and what concerns might exist.

Goals and Strategies for the Wyeth Property Distinct and Separate Contiguous Area:

GOAL 5: To revitalize distressed areas within the County that are in desperate need of economic revitalization.

STRATEGY 1: To include the physical plant of the Wyeth Company in Rouses Point, NY, and the reasonably developable adjacent land of Wyeth, within the Empire Zone to maximize the ability to attract new development to an existing plant of over one million square feet of building space. (Wyeth, an international pharmaceutical company, has a plant in the Village of Rouses Point and is the largest employer in Clinton County. Unfortunately, Wyeth recently announced plans to close the facility by the end of the 2008 calendar year. The size and excellent quality of the existing plant provides an opportunity to attract a large manufacturer.)

SECTION III. TARGET AREAS/INFRASTRUCTURE DEVELOPMENT

The former PAFB, property was awarded Empire Zone status, as Clinton County Empire Zone (EZ) 456, on June 3, 1998 under Section 958(c) of the statute for closure of a military base. The EZ included 1280 acres located adjacent to and near the former PAFB flight line in the Town of Plattsburgh. Boundary revisions

approved in 2003 and 2004 resulted in the EZ acreage distributed as follows:

1. Former PAFB - original EZ June 1998 - Town of Plattsburgh - 1239.1 acres
2. Barracks Golf Course - boundary revision April 2003 - Town of Plattsburgh - 1.0 acre
3. Champlain Industrial Park - boundary revision April 2003 - Village of Champlain - 25.0 acres
4. Gateway Industrial Park - boundary revision April 2003 - Town of Beekmantown - 10.0 acres
5. PCS Technologies - boundary revision April 2003 - Town of Plattsburgh - 0.5 acre
6. Duquette's Welding - boundary revision December 2004 - Town of Plattsburgh - 0.8 acre
7. Jerry Family Properties - boundary revision December 2004 - Town of Schuyler Falls - 3.6 acres

Total = 1280 acres

Pursuant to the 2005 changes to the Empire Zone program, the Clinton County zone is termed a Development Zone, due to its original designation under Section 958 (c), and as such is allowed up to 6 distinct and separate contiguous areas (DSCAs) . To satisfy the EZ program's requirement for selection of the 6 DSCAs comprising the Clinton County Empire Zone by January 1, 2006, criteria were developed upon which to review each candidate area. The primary goal for the zone is to help the County attract and retain good jobs and investment. The criteria were: location, infrastructure, marketability, future growth potential, and overall importance to zone objectives. On a hundred-point aggregate scale, each of the 5 criteria was deemed worth 20 points. Candidate areas included the 7 listed above along with others brought to the EZAB's attention during the last several months. A rating sheet for each candidate area is attached hereto. The 6 selected DSCAs, totaling 1280 acres, and the respective point-total ratings are listed below:

(1) - former PAFB #1 - Town of Plattsburgh - 777 acres - 100 points

- (2) - former PAFB #2 - Town of Plattsburgh - 137 acres - 100 points
- (3) - Champlain Industrial Park - Village of Champlain - 66 acres - 80 points
- (4) - former Clinton County Airport - Town of Plattsburgh - 215 acres - 78 points
- (5) - Wyeth Property - Village of Rouses Point - 48 acres - 77 points
- (6) - Gateway Industrial Park - Town of Beekmantown - 37 acres - 75 points

Because of its unique size and shape, the former PAFB property was divided into 2 DSCAs to avoid using a stringer of undevelopable land between areas. Also, undevelopable lands within the DSCAs at the former PAFB such as wetlands and lands owned by municipalities and their agencies, were excluded. This was deemed the wisest use of EZ resources and in the best interests of the County.

The Champlain Industrial Park and the Gateway Industrial Park boundary revisions were approved on April 16, 2003. Both were completed under the prominent practice at that time, namely to foot-print existing and anticipated building sites. The Champlain Industrial Park was approved for 25 acres of foot-printed sites, and the Gateway Industrial Park was approved for 10 acres of foot-printed sites. Neither of these boundary revisions included any roads, vacant land, common areas, or other land masses. In evaluating each of these areas as a candidate DSCA, the foot-printing concept was abandoned and a contiguous land area was developed for each, emphasizing current development activity, current Empire Zone businesses, existing infrastructure, and anticipated future growth areas. The DSCA at the Champlain Industrial Park was redefined as a 66-acre contiguous land area, including existing buildings, roads, vacant land, and anticipated future building sites. The DSCA at the Gateway Industrial Park was redefined as a 37-acre contiguous land area, including existing buildings, roads, vacant land, and anticipated future building sites. In redefining the Champlain Industrial Park as a DSCA, the foot-print for one current certified business, World Warehouse and Distribution, Inc., was not included in the DSCA. World Warehouse is located at a corner of the Champlain Industrial Park at which little growth has occurred since the park's inception and for which little growth is anticipated in the foreseeable future. Including the World Warehouse site in the redefined Champlain Industrial Park DSCA would have been infeasible without utilizing a stringer. Therefore, it was determined that the World Warehouse site would be protected as grand-fathered and continue to be recognized

as a certified business without impacting the acreage assigned to the DSCAs.

The Barracks Golf Course, PCS Technologies, and Duquette's Welding properties were not evaluated as candidate DSCAs because of their limited size and growth characteristics (the buildings only on each property were foot-printed for inclusion in the EZ), and the fact that they serve as home to only one business each. The Clinton County EZ was extended to include the Barracks Golf Course and PCS Technologies building foot-prints in April 2003, and the Duquette's Welding building foot-print in December 2004. However, because each of these companies is a certified EZ business, they were all protected as grand-fathered. During modifications to the City of Plattsburgh Empire Zone, PCS Technologies was added to that zone as a grand-fathered property and hereafter will no longer be included in the Clinton County Empire Zone.

Another industrial development area was considered as a candidate DSCA: the Jerry Family Properties along Military Turnpike and Kelly Road in the Town of Schuyler Falls. This is a 3.6- acre development begun several years ago as the home to X-Plo, Inc., packager and distributor of explosives, owned by the Jerry family. As the X-Plo business has grown, the family has added property and buildings, and has marketed the location to other businesses. This area was awarded a foot-printed boundary revision in December 2004 for current X-Plo buildings and several proposed future buildings for anticipated tenants. Due to its ranking on the DSCA criteria, the Jerry Family Properties were excluded as a DSCA, but the X-Plo buildings were protected as grand-fathered pending EZ certification of the X-Plo business. No other tenants of the Jerry Family Properties are now, or expected to be in the future, EZ-certified.

One other business was considered. Steele Truss Co., Inc. is a maker of pre-fabricated wood and steel trusses that was founded in 1989. Steele is a subcontractor to a large residential builder who has been awarded a contract to construct homes as part of a residential expansion of the U.S. Army Base, Fort Drum, in Watertown, New York, some 150 miles west of Plattsburgh. Steele has revamped its production facilities with investments of over \$500,000 and will create a minimum of 15 new jobs. Additional new jobs and plant investment may be necessary to satisfy demand resulting from the

Watertown project. Steele is located on Trade Road in Plattsburgh, several miles away from the Clinton County Empire Zone, and had requested consideration for boundary revision in January 2005. Technically, Steele would be eligible for the soft-landing provision of the new EZ law, but the Clinton County EZAB believes that Steele and the County will be better served by Steele being recognized as a Regionally Significant 'Other' Project. Specifically, Steele matches up well with the four (4) primary criteria for a Regionally Significant Other Project:

1. Cannot be accommodated in any of the zone's distinct and separate contiguous areas: Steele is located on Trade Road in Plattsburgh, several miles from the nearest DSCA. It would be inefficient and impractical to locate a Steele satellite within a DSCA for the purpose of obtaining EZ benefits.

2. Will create or retain a significant number of skilled or otherwise quality jobs: According to Steele, they are committed to creating 15 new jobs as a part of phase 1 of the Watertown project. Most of these jobs will start in the \$8.00-\$9.00 range and within 1 year will be paying \$12.00 or more. Health insurance benefits are paid one-half by the company after 6 months of continuous service. Training is provided in-house and will be augmented by a training program through the local CV-Tech education extension service. Phase 2 of the Watertown project may create up to an additional 15 new jobs.

3. Have a substantial capital investment: According to Steele, they will have completed an investment in buildings, machinery, and equipment of approximately \$500,000. The benefits of this investment will accrue to the Watertown project in terms of capacity and productivity. Additional investments may be necessary if / when phase 2 of the project is awarded to Steele.

4. Export a substantial amount of goods or services beyond the region:
According to Steele, some 40,000 truss pieces are required for phase 1 of the Watertown project. This represents a substantial amount of goods to be exported from the northeastern corner of New York State to the northwestern corner. Without Steele's presence, these items would have to be imported to the Watertown area from Canada, other states, or other regions of New York State.

Based on the foregoing, it is therefore proposed that Steele Truss Co., Inc. be granted status as a Regionally Significant Other Project and as such, subject to certification, be granted EZ benefits. These EZ benefits will help fuel Steele's growth and competitiveness with the Watertown project and other potential projects. Such EZ benefits will expire upon Steele's sale, closure, relocation, and / or when the Empire Zone program is no longer in effect.

The Clinton County zone was notified by the Albany Empire Zone program office that based on the 2000 census, Clinton County does not have any eligible census tracts under 958(a) or 958(d). Therefore, no potential census tract zone areas were identified or evaluated.

The next seven pages provide the rating sheets that were calculated for each of the candidate Distinct and Separate Contiguous Areas to determine the six areas that would be included as the official areas for Empire Zone #56.

Rating Sheet for Candidate Distinct and Separate Contiguous Areas (DSCAs)

Clinton County Empire Zone

- January 1, 2006 -

1. and 2. Former Plattsburgh Air Force Base (PAFB) Total Points: 100,

Rank: 1, 2 fully infrastructured throughout with water, sewer, stormwater, roads,

Location Points: 20

- (2) distinct and separate contiguous areas (DSCAs) - 777 acres and 137 acres
- Town of Plattsburgh
- adjacent to 1-87, exit 36
- 1 1/2 miles of shoreline on Lake Champlain
- south end of City, support services nearby but away from traffic congestion
- immediate access to rail, water, highway, aviation modes
- 60 minutes from downtown Montreal, Port of Montreal

Infrastructure Points: 20

- fully infrastructured throughout with water, sewer, stormwater, roads electric natural gas service to 75% of property sufficient capacity to handle 10,000 people
- infrastructure has been transferred to City, Town, and NYSEG (elect., gas) ownership
- some infrastructure is mature and will need repair / maintenance by the municipality

Marketability Points: 20

- aviation, rail, highway, water access provide multi-modal appeal
- proximity to relocated Clinton County Airport attracts aviation and high tech businesses
- proximity to Port of Montreal attracts Canadian and U.S. companies marketing tools include Foreign Trade Zone, Empire Zone

Future growth potential _____ Points: 20

- 3500 contiguous acres, 1500 acres of easements, rights-of-way
- several undeveloped parcels, subdivided, and zoned for light industrial, commercial
- mixed-use development spurs diverse future growth

Overall importance to zone objectives _____ Points: 20

- Established as EZ in June 1998 with 1280 acres
- EZ originally established here to help fuel redevelopment / reuse of former military base
- replacing lost USAF expenditures is critical component of County economic health
- strong support from Governor and other State officials to help redevelop former PAFB
- currently 21 certified businesses

**Rating Sheet for Candidate Distinct and Separate Contiguous Areas
(DSCAs)
Clinton County Empire Zone
- January 1, 2006 -**

3. Champlain Industrial Park Total Points: 80 Rank: 3

Location Points: 15

- (1) DSCA - 66 acres
- Village of Champlain
- near 1-87 and exit 42, off route 11
- 1 mile from Canadian border
- 30 minutes from downtown Montreal, Port of Montreal - located away from any congested traffic corridors
- limited availability of nearby workforce

Infrastructure Points: 15 -

- infrastructured to the bounds of current development
- good capacity for future growth

Marketability Points: 15

- excellent location for Canadian businesses to be near Canada / U.S border
- proximity to Port of Montreal attracts Canadian and U.S. companies
- marketing tools include Foreign Trade Zone, Empire Zone
- good support from customs brokers, freight forwarders nearby

Future growth potential Points: 20

- 100+ contiguous acres
- several undeveloped parcels, subdivided, and zoned for industrial / commercial
- limited nearby residential development

Overall importance to zone objectives Points: 15

- established as subzone with 25 acres April 2003 through boundary revision
- currently 3 certified businesses
- EZ benefits used as marketing tool to attract / retain businesses

**Rating Sheet for Candidate Distinct and Separate Contiguous Areas (DSCAs)
Clinton County Empire Zone
- January 1, 2006 -**

4. Gateway Industrial Park Total Points: 75 Rank: 6

Location Points: 10

- (1) DSCA - 37 acres
- Town of Beekmantown
- adjacent to 1-87, exit 41
- 40 minutes from downtown Montreal, Port of Montreal
- located away from any congested traffic corridors
- limited availability of nearby workforce

Infrastructure Points: 15

- infrastructured to the bounds of current development
- good capacity for future growth

Marketability Points: 15

- good location for Canadian businesses to be near Canada / U.S border
- proximity to Port of Montreal attracts Canadian and U.S. companies

Future growth potential Points: 20

- 100+ contiguous acres
- several undeveloped parcels, subdivided, and zoned for industrial, commercial
- limited nearby residential development

Overall importance to zone objectives Points: 15

- established as subzone with 10 acres April 2003 through boundary revision
- currently 4 certified businesses
- EZ benefits used as marketing tool to attract / retain businesses

**Rating Sheet for Candidate Distinct and Separate Contiguous Areas
(DSCAs)
Clinton County Empire Zone
- January 1, 2006 -**

5. Former Clinton County Airport Total Points: 78 Rank: 4

Location Points: 18

- (1) DSCA - 215 acres
- Town of Plattsburgh
- within minutes of exit 37 off 1-87
- west end of City, support services nearby through mild traffic congestion
- 60 minutes from downtown Montreal, Port of Montreal

Infrastructure Points: 10

- good infrastructure to support former airport operation
- undeveloped land available for future infrastructure expansion

Marketability Points: 15

- undeveloped parcels available for diverse future projects
- proximity to Port of Montreal attracts Canadian and U.S. companies
- Foreign Trade Zone nearby

Future growth potential Points: 20

- 300+ contiguous acres
- several undeveloped parcels, subdivided, and zoned for industrial, commercial

Overall importance to zone objectives Points: 15

- important for County to achieve development potential for vacated airport property
- City of Plattsburgh EZ with approximately 10 certified businesses abuts CC Airport

**Rating Sheet for Candidate Distinct and Separate Contiguous Areas
(DSCAs)
Clinton County Empire Zone
- January 1, 2006 -**

6. Wyeth Pharmaceuticals Property Total Points: 77 Rank: 5

Location Points: 12

- (1) DSCA - 48 acres
- Village of Rouses Point
- 10 minutes from exit 42 off 1-87
- limited support services nearby with mild traffic congestion
- 40 minutes from downtown Montreal, Port of Montreal
- adjacent to rail spur

Infrastructure Points: 15

- excellent infrastructure to support pharmaceutical operation
- undeveloped land available for future infrastructure expansion

Marketability Points: 15

- undeveloped parcels available for diverse future projects
- proximity to Port of Montreal attracts Canadian and U.S. companies
- inexpensive Village electrical power will attract pharma / chemical companies
- EZ benefits will help attract pharma / chemical companies

Future growth potential Points: 15

- contains vacant land available for future growth
- undeveloped land is zoned for industrial, commercial
- significant infrastructure capacity

Overall importance to zone objectives Points: 20

- critical for Village to replace lost company expenditures and tax revenue
- critical for Village and County to retain high-paying, high-tech jobs

**Rating Sheet for Candidate Distinct and Separate Contiguous Areas
(DSCAs)
Clinton County Empire Zone
- January 1, 2006 -**

7. Jerry Family Properties

Total Points: 55 Rank: 7

Location Points: 10

- Kelly Road and Military Turnpike
- Town of Schuyler Falls
- 10 minutes from exit 37 off I-87
- limited support services nearby with mild traffic congestion
- 40 minutes from downtown Montreal, Port of Montreal

Infrastructure Points: 10

- infrastructured to the bounds of current development
- undeveloped land available for future infrastructure expansion

Marketability Points: 10

- undeveloped parcels available for diverse future projects
- rural setting with low-density surrounding development
- EZ benefits will help attract employers to Schuyler Falls

Future growth potential Points: 15

- contains vacant land available for future growth
- undeveloped land is zoned for industrial, commercial

Overall importance to zone objectives Points: 10

- potential opportunity to help attract investment to Town of Schuyler Falls

SECTION IV. TARGETED BUSINESSES

Clinton County's economy has long been Industrial in nature. The board feels that the best strategic use of the Empire Zone program benefits is to target manufacturing related businesses to strengthen and deepen this sector that provides such a large percentage of the jobs in our county. There are two facets to our strategy; to retain manufacturing jobs at businesses already located in the county wherever possible and to attract hi-tech research and manufacturing firms that will provide jobs as the global market place changes. Since many of the federal and state assistance programs target hi-tech businesses, this strategy will allow us to augment the Empire Zone benefits with assistance from other sources, maximizing the impact on our economy.

The board took into consideration the following when making the decision about which industries to target:

1. Number of jobs currently tied to that industry in Clinton County
2. Impact on the economy of the community if an employer were to leave the area
3. Assets in the community that lend themselves to the attraction of the targeted industry
4. Whether Empire Zone benefits would be needed to help attract or retain the business
5. How many jobs we could expect would be created/retained by the businesses in that industry
6. Alignment with the Marketing plans of the Development Corporation Clinton Country, New York and PARC.

In addition to the identification of targeted businesses below, the Board also makes a distinction between targeted businesses and strategic industries. Pursuant to GML Section 957(q)(vi), the Clinton County Empire Zone shall consider a business to be a strategic industry or supply chain business if such business meets the following criteria: Strategic Industries refers to "traded" businesses, wealth creating businesses, and/or "at risk" businesses within Clinton County. For purposes of this plan, "traded" businesses include those where at least 60% of their product/service is sold, delivered or provided to

customers/clients that are outside of Clinton County. "At risk" businesses are those that could locate or relocate outside New York State. The list of strategic industries does not include retail or local service operations that are captive to the local market.

The Board has chosen as Targeted Businesses:

1. Transportation related businesses. The county already has a substantial base of transportation related manufacturers and suppliers. Companies currently located in the county specialize in manufacture of passenger trains, jet engines and alternative energy vehicles. The board feels that both aerospace and rail related companies are a good fit with our present companies and meet our criteria of being hi-tech and hi-growth.

2. Plastics manufacturers. The county presently has several plastics manufacturers. The reduction in utility rates available is very important to companies that manufacture plastics because the process is energy intensive. The local community college offers an Associate degree program in Industrial Technologies with a Plastics technologies track that also makes our area attractive to Plastics firms.

3. Pharmaceuticals. The pharmaceutical industry is experiencing a great deal of change. Our largest private-sector employer has long been a Wyeth Pharmaceuticals plant. Wyeth recently announced that they will close this plant. Although the major pharma companies are consolidating operations and closing plants all over the country, other niches in the pharmaceutical industry are opening up. Wyeth is located in a very small community and the impact on their economy could be severe. The boards feels that the availability of a trained workforce and the Empire Zone program can be combined to help attract a contract pharmaceutical or other type of pharma related company. New advances are made every day in the industry and we hope to be able to capitalize on this phenomenon.

4. Warehousing and distribution. Because Clinton County is located right on the Canadian border, we have always had a concentration of warehousing, logistics and distribution related companies. The board feels this is a natural growth area for us, especially given that the regulations for sending goods across the border have become much more complicated since the tragedy in 2001. Border related industries currently account for-14.2% of the employment in Clinton County. The Empire Zone benefits are critical to the decision by executive to locate this type of business in our area since these businesses usually have small margins and any incentives help them to make their business viable.

5. High-tech manufacturing, especially in composites and Nanotechnology. Clinton County is fortunate to have a SUNY campus located at the county seat in Plattsburgh. This can help us to attract high-technology businesses that wish to hire graduates from the school. In addition, the Plattsburgh-North Country Chamber of Commerce has positioned the area as a key partner with high-tech centers of technology in Montreal & Albany. The board feels that spin-off businesses from Albany Nanotech and NanoQuebec are possible targets for our region. The use of Empire Zone benefits and assistance from organizations like NYSTAR can help us to make these possibilities a reality. The Chamber is also a partner in the Tech Valley Initiative which is gaining world-wide recognition as a good place to locate high-tech companies.

6. Aviation – cargo & passenger. The aviation assets at the former Air Force Base increase the likelihood that we will be able to secure aviation related companies. Several aviation-related companies are already located at PARC. In addition, the county is currently working to start Aeronautics school for high school and college age students that will further strengthen our position as a transportation hub for manufacturing firms.

Tourism is an important industry in Clinton County but is not a targeted industry for the Zone.

SECTION V. BUSINESS DEVELOPMENT ASSISTANCE AND ZONE ADMINISTRATION

The philosophy of the Clinton County Empire Zone #56 is to locate empire zone areas in locations that are both suitable and attractive for development. Therefore, zones have been established at locations where the terrain is open and flat, drainage is good, local zoning encourages development, utility infrastructure is in place, and good transportation options exist.

All the locations where subzones have been placed have landowners that are active in soliciting and marketing the land for development. The Empire Zone Board and staff will assist the landowners or prospective companies to understand the benefits provided by the Empire Zone program, and the range of other resources that are available to encourage a business to locate here, and to retain the business once it has decided to locate within the zone.

More specifically, the Clinton County Empire Zone #56 shall provide the following assistance to businesses currently located within a subzone, and prospective businesses contemplating development within a subzone:

1. For companies seeking bonding authority for projects, refer those companies to the Clinton County Industrial Development Agency, headquartered in the Town of Plattsburgh.
2. For companies seeking local tax incentives, provide information on the real estate tax reductions available under the Empire Zone program; offer information regarding the payment in-lieu of tax program that exists for property within the Plattsburgh Airbase Redevelopment Corporation area; and refer them to the Clinton County Industrial Development Agency, which has the ability to provide tax exemptions/reductions. Also, check with NYS Empire State Development for information on all NYS tax and other incentive programs that may be applicable.
3. For companies seeking to expedite issuance of any required local permits or licenses, coordinate meetings with involved local officials,

and if business plans are sound, advocate for speedy consideration and scheduling of meeting necessary for approval of permits/licenses.

4. For small businesses or individuals seeking to create a small start-up business, refer to the Small Business Development Center at the Plattsburgh State University College that provides specialized services tailored for small business development; or to SCORE, (counseling/mentoring program for entities seeking to start a business or existing businesses seeking to expand). SCORE is comprised of volunteers from area business, and is organized by the Plattsburgh-North Country Chamber of Commerce.
5. Programs already exist at the State level to ensure meaningful participation of minority-owned and women-owned business enterprises. Our zone shall refer businesses to the appropriate sources, and ensure that such programs are complied with.
6. The Clinton County Empire Zone #56 Administrative Board shall meet regularly to review the progress of zone activities, consider certification requests from new businesses, review and approve annual report compliance requirements, and review this Development Plan at least annually and modify the Plan if necessary to keep the program responsive to the economic development needs of Clinton County.
7. In response to the request for a statement from the appropriate regional economic development council, please note that there no longer exists a regional economic development council under the former REDS Program.
8. The designated empire zone areas shall be utilized to coordinate economic development programs at the local level by focusing economic development activities, such as marketing and resource delivery on the land area and businesses within the established subzones.
9. The Empire Zone Administrator and the EZ Administrative Board will make every effort to reach out the local economic development entities as issues arise to insure that maximum participation and support are offered for zone activities.
10. In order to "implement specified business, community and human resource development goals and strategies" the Empire Zone

Board and Administrator shall recommend active, involved and supportive members to vacant positions on the Board; send updates of significant Zone activities to local economic development partners and players; regularly review this Empire Zone Development Plan to insure that it is current and accurately represents the interests of our Empire Zone; and maintain close contact with our local representatives of the Empire State Development office.

SECTION VI. HUMAN RESOURCES DEVELOPMENT/TRAINING

The Clinton County Empire Zone is fortunate to have the One-Stop Service Center located at PARC. This enables the Zone to work closely with the One-Stop staff. It also allows easy access to services for new and existing businesses in the Zone. When the One-Stop, called the OneWorkSource needed a new location PARC realized the importance of having a site close by where services could be integrated and helped the WIA staff to obtain a building at PARC. The OneWorkSource staff provides data on available workforce to the Economic Development community when a new company is considering a location within the Empire Zone. The OneWorkSource lists positions for companies locating within the zone on a regular basis, especially when they are first entering the community. The Zone refers prospects to NYS DOL so that they can list their positions at the OneWorkSource.

In addition to the efforts of the OneWorkSource to promote private sector business investment and job development, the Plattsburgh-North Country Chamber of Commerce conducts an On-the-Job-Training program for the New York State Department of Labor. One of the members of the EZAB provides oversight for that program. The Chamber's Program Coordinator has an office at the One-Stop.

Empire State Development programs, both through the Empire Zone program and initiatives of the agency are invaluable in attracting and retaining companies to the Zone.

The Chamber of Commerce also manages an On-the-Job-Training

program for low-income Senior Citizens. Zone agencies are eligible to participate. The One-Stop has participated for several years.

The Chamber of Commerce offers Safety and Human Resource Training, both in the classroom and on-site at local businesses.

The Chamber of Commerce, in cooperation with the SBDC located at the local SUNY College and SCORE, counselors to Small Business, offer Entrepreneurial training to help encourage investment in the region by small business owners.

Work with NYS Empire State Development as a source of training fiords that may be applicable.

Two members of the Empire Zone Administrative Board are also members of the local Workforce Investment Board. This ensures that the Empire Zone Administrative Board is able to communicate to the WIB when new positions can be listed at the One-Stop. This also allows the EZAB To have a voice in the determination of allocation of WIA funds.

The Workforce Investment Board has a Strategic Plan. This plan has been taken into consideration in the creation of the Empire Zone Strategic Plan.

Clinton County is fortunate to have a State University of New York Campus in Plattsburgh. In addition to the degree programs already offered in the fields of Business Management, International Business, Mass Communications and the Sciences, the school is currently developing a curriculum for a degree program in logistics. Given our location so close to the border, this program is a welcome additional choice for students. We believe this program will help us to keep more graduating students in our area.

Clinton Community College offers an Associates Degree in Industrial Technologies that fits in well with the goals of the EZAB. The also have a Medical Technologies program that was largely funded by Wyeth Pharmaceuticals.

The local BOCES, known as CV-TEC, offers high-school aged students programs in many technical fields including computer technologies. They are also working cooperatively with Clinton Community College and a the largest Aeronautical School in North America, which is located in Quebec, to create a new Aeronautical School.

We believe all of these programs position PARC and Clinton County well to take advantage of new opportunities as they arise.

The goal of the Empire Zone is to increase employment in Clinton County, especially in high-tech fields, and to retain manufacturing jobs in the region. There are many organizations in the area that are working together to achieve this goal for the good of the community and its residents. The Zone, and the Zone's partners, will achieve these goals by:

1. Developing educational programs in fields that offer opportunities for employment and growth for our residents at local companies.
2. Working with youth to encourage them to take math and science courses
3. Working with existing companies to promote life-long learning. Clinton Community college and the Chamber of Commerce have been very successful in obtaining funds to assist with the cost of such programs
4. Leveraging available resources to the best advantage by working cooperatively to develop workplace skills, especially of the unemployed residents in our region.

SECTION VII. COMMUNITY DEVELOPMENT

The philosophy of the Clinton County Empire Zone #56 is to encourage the advancement of Community Development Projects, defined as "capital projects sponsored by not-for-profit organizations which have been approved by the zone board, which will enhance the zone development plan."

The criteria that shall be utilized by the Empire Zone Administrative Board, when considering Community Development Projects shall include:

1. The extent that the project benefits businesses within the zone.
2. The extent that the project increases the ability of the zone to attract prospective businesses.
3. The extent that the project provides a benefit generally to the citizens of Clinton County.

Encouragement of Community Development Projects shall occur as follows:

1. Assisting with and supporting municipal-led Community Development Project efforts in each of the municipalities within the County in which subzones are located.
2. Publicly announcing those type of projects that would benefit businesses with a zone, for the purpose of encouraging development of those projects.

Currently, no licensed and certified child day care facilities exist specifically for children of persons engaged in training for employment in, or employed in the zone. There is, however, one licensed and certified child day care facility within the boundaries of a subzone of Clinton County Empire Zone #56. "Bright Beginnings," a child daycare facility operated by the Plattsburgh YMCA is located within the boundaries of the Plattsburgh AirBase Redevelopment Corporation subzone. Bright Beginnings is licensed for children from infant to pre-school age, and has a capacity to supervise up to 72 children.

Many of the subzones within the Clinton County are not appropriate for the existence of daycare facilities. In addition to Bright Beginnings, several child daycare facilities exist throughout Clinton County, and are easily accessible by employees with the subzones. A review of the licensed and certified child day care facilities published on the New York State Office of Children and Family Services website indicates that 156 child care facilities exist within Clinton County, having a total capacity to accommodate 2,139 children. In addition, the Child Care Coordinating Council of the North Country, Inc., a not-for-profit organization that assists in the establishment of child day care facilities, and provides resources and support for a variety of parent/family programs is located on a portion of the former Plattsburgh Air Force Base, the One Work Source building. One other community development project is located with Empire Zone#56. Within the boundaries of the Plattsburgh AirBase Redevelopment Corporation is a physical rehabilitation center operated by

the Champlain Valley Physician's Hospital.

SECTION VIII. CERTIFICATION/COST BENEFIT ANALYSIS

A. Certification Requirements for Empire Zone Businesses

The new changes to the Empire Zone program require that in order for a business to be certified as eligible to receive Empire Zone benefits, the business must show that it will create good-paying jobs, and that it will invest money in machinery, equipment, facilities, and/or other capital investments within the zone. Specifically, the Clinton County Empire Zone requires that each applicant business do the following:

1. Submit an "Application for Joint Certification of an Empire Zone Business Enterprise" to the Clinton County EZAB for review. The application form and the associated data forms must be completely and accurately filled out. Partially or inaccurately completed forms will be returned to the applicant and are cause for declination of Empire Zone eligibility.
2. The applicant business must demonstrate, either from past performance elsewhere, or via a bonafide business plan, that it is a viable business (or if a start-up, will become one) with the resources to create jobs and make investments in the zone.
3. The applicant business must demonstrate that it has title to or a lease for, or an obligation to purchase or lease, land or a building within the zone. If a new building is to be constructed, the applicant business must be able to demonstrate, to the satisfaction of the EZAB with reasonable documentation, the proposed timing for construction and occupancy.
4. The applicant business must commit to creating a minimum of five (5) new full-time equivalent jobs that will remain in existence a minimum of five (5) years. In addition, those jobs must be created within twenty-four (24) months of certification. After six (6) months, the wage paid for each of these jobs must be at least \$9.00 per hour, and the applicant business must offer a healthcare and insurance benefits package that is at least one-half funded by the business. The wage paid for each job must be increased for the second through fifth years by at least the

Consumer Price Index (CPI), or at a minimum of 3% annually. (Alternatively, the applicant business may show that certification in the Empire Zone will effectively prevent the loss of five (5) or more jobs because the business would have to close or relocate without being able to take advantage of the

Empire Zone benefits. The jobs saved must be full-time and have a wage of at least \$9.00 per hour. All other criteria listed in this section apply.)

5. The applicant business must invest within the zone a minimum of \$100,000 in machinery, equipment, facilities, and/or other capital investments within the zone within the first twenty-four (24) months of its obtaining certification. The amenities invested in must remain within the zone for a minimum of five (5) years.
6. The application must be reviewed and approved by the Clinton County EZAB and subsequently reviewed and approved by the appropriate New York State agencies.
7. The applicant business must be and remain in compliance with federal, state, and local laws that govern such businesses, and in particular those laws which govern the protection of workers.
8. The applicant business shall be a commercial or industrial enterprise. Retail and tourism-related businesses are not eligible for Empire Zone benefits in the Clinton County Empire Zone.
9. Businesses must provide the Clinton County EZAB information on each of the factors below, which will be utilized by the EZAB for a determination on certification:
 - The business enterprise will create new jobs or prevent the loss of jobs.
 - The business will not result in the transfer of employment from an existing business enterprise to similar employment with the business seeking certification.
 - The business enterprise will enhance the economic climate of the zone by creating or retaining good paying, quality jobs or investments in its Empire Zone facilities.

- The business complies with all laws for the protection of workers.
- The business meets the requirements of a cost-benefit analysis as described below and is consistent with the Clinton County Empire Zone Development Plan.

B. Benefit / Cost Ratio

In addition to the foregoing, the new changes to the Empire Zone program require that in order for a business to be certified as eligible to receive Empire Zone benefits, the business must submit job, investment, and related data that will provide the basis for a cost / benefit analysis. This analysis, using a formula provided by New York State, will estimate the cost of the incentives that may be provided to the business (e.g., income tax credits, real property tax rebates, sales tax rebates) based on the jobs to be created, the value of wages and benefits to be paid, and the investments to be made in the zone, as set forth in the application, compared to benefits to the County and to New York State of the payroll dollars, capital investments, and other expenditures to be made within the zone by the business. The minimum benefit / cost ratio threshold that an applicant business must achieve is 15 : 1, except for Manufacturers, which must achieve a benefit/cost ratio of 10 : 1. Benefit / cost ratios below these amounts will be cause for declination of Empire Zone eligibility.

C. Non-Quantitative Considerations

The 2005 changes to the Empire Zone program also allow the EZAB to consider non-quantitative factors in reviewing an "Application for Joint Certification of an Empire Zone Business Enterprise". These qualitative factors are relevant and may be considered only if a project fails to meet the benefit/cost ratios indicated in the previous section. However, the EZAB must rationalize any argument of this type and New York State reserves the right to provide a final review of the circumstances should any of the criteria not be achieved. Specifically, the qualitative factors that may be considered are the following:

If the applicant business will have a positive impact on any portion of the Empire Zone that is distressed based on vacancy rates, blight, or disinvestment; and / or

Whether the applicant business is part of a strategic industry cluster that is being sought to help revitalize the Empire Zone; and / or

3. Whether the applicant business is anticipated to access Zone Capital Credits as part of its investment plan within the zone.

SECTION IX. PROGRAM PERFORMANCE EVALUATION

The Zone Development Plan outlines the goals and strategies the zone will use to increase investment and employment in Clinton County. It defines the areas in which the zone will concentrate resources to achieve those goals. Periodic measurement is necessary to determine if goals are being met and to guide any adjustment to the zone's strategies. This section of the plan outlines how the zone will evaluate its progress toward those goals.

Annually, the board will assess the zone certified businesses located in the zone and the designated separate and distinct areas to determine progress toward the goals stated in the Zone Development Plan. The Zone will use evaluation measures that are consistent with the General Municipal Law. The Zone will compare the results of the evaluations to both short and long term goals set forth in the Zone Development Plan. Specifically, the board will evaluate results in the following areas:

Goal 1: Attract new industries/businesses for the purpose of creating additional jobs and increasing capital investment.

- How many new businesses located within the zone (including the separate and distinct areas)?
- What is the total number of businesses located in the zone? How many people do those businesses employ? How does this compare to previous years?

- What is the total number of businesses that have employees in Clinton County? Is this higher or lower than the previous year?

Goal 2: Retain industries/businesses and the jobs, diversity and investment they contribute to a stable Clinton County economy.

- Was the Empire Zone program used as part of the effort to retain a business or businesses? If so, was that effort successful?

Goal 3: To assist in the expansion of existing industries/businesses and the jobs, diversity and investment they contribute to a stable Clinton County economy.

- How many of the businesses in the zone have expanded during the year
- How many businesses accessed the Zone Capital Credit program or other government dollars to assist with the expansion?

Goal 4: To revitalize distressed areas within Clinton County that are in desperate need of economic revitalization.

- In the Zone Development Plan, the board designated the area surrounding the Wyeth Pharmaceutical factory as an area that may be a distressed area once the plant closing is complete. The plant will be closed in phases over the next three years. The board will review the efforts to redevelop the property on an annual basis.
- Other areas may become distressed in the future. The Zone will monitor such situations and assist when appropriate.

Goal 5: To coordinate with the City of Plattsburgh Empire Zone officials in order to maximize overall potential of the program in Clinton County and avoid conflicts.

- Representatives of the board will meet annually with representatives of the City of Plattsburgh Zone. During the year periodic updates will be exchanged as needed.

The Zone Development Plan designates the types of businesses the zone

hopes to attract to the area. The zone will annually assess the types of businesses in the zone to see how they align with the stated target industries. If a substantial number of businesses in industries not targeted have located in the zone over the previous year, the Zone will work to determine the factors contributing to the trend.

The Zone will assess the physical assets of the Zone and review improvements made to infrastructure during the previous year and plans for improvements in the coming year.

The board will review the goals and strategies annually and adjust them as needed to reflect the changing economic circumstances of the region.

The Zone will submit a Zone Annual Report to ESD as required.