



February 11, 2020

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Hon. Liz Krueger, Chair
NYS Senate Finance Committee
172 State Street, Capitol Building
Room 416 Capitol
Albany, NY 12247

Hon. Helene Weinstein, Chair
NYS Assembly Ways and Means Committee
Room 923
Legislative Office Building
Albany, NY 12248

RE: Joint Legislative Budget Hearing on Economic Development

Dear Senator Krueger and Assemblymember Weinstein,

Protect the Adirondacks is pleased to provide these comments on economic development funding in Governor Cuomo's draft 2020-2021 budget for the State of New York.

The Regional Economic Development Council (REDC) approach to economic development is not working for rural communities in the Adirondack Park, and for many communities throughout Upstate NY. The REDC, while politically expedient and popular, fails to accomplish the two central goals of economic development: 1) to assist private businesses to expand or start-up; 2) to strategically support communities to help build the municipal infrastructure and the public and social amenities that will attract investment. Much of the REDC funding is off-target or is unrelated in economic and community development and will not stimulate community or economic development.

These are not good times for Rural America. The Adirondack Park is the size of the State of Massachusetts but has just 130,000 residents and a population density of only 14 people per square mile. As we showed in our landmark study *The Adirondack Park and Rural America*, over 61% of the continental U.S. has a similar population density, but is a rural landscape that is home to just 6.4% of the U.S. population.

Protect the Adirondacks

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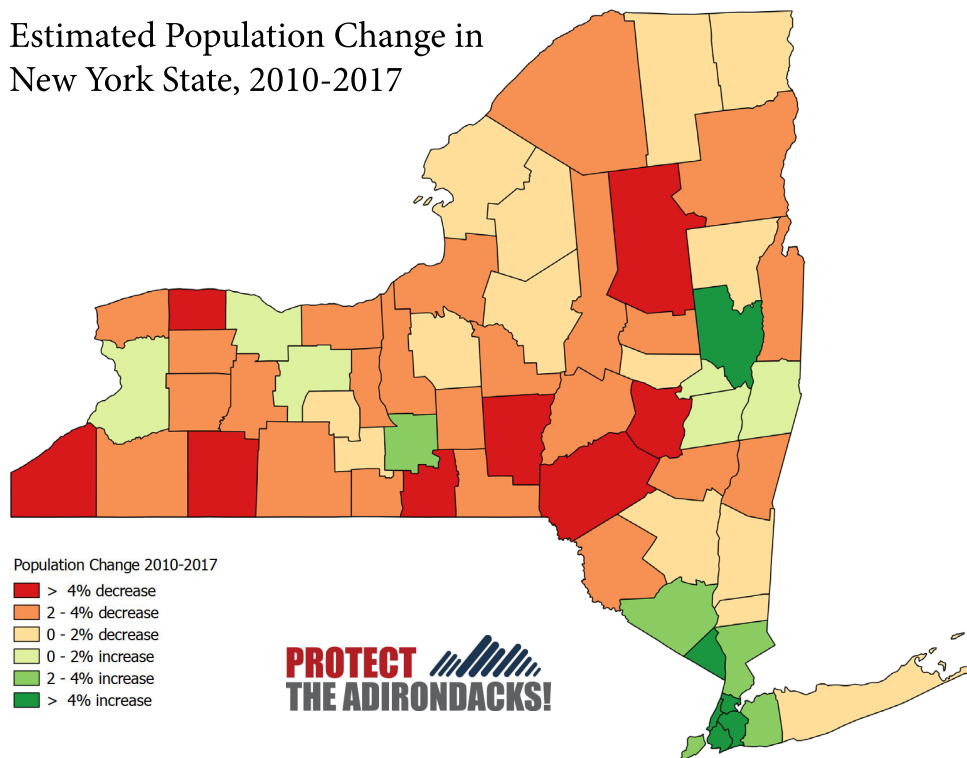
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Across Rural America, half of all counties have lost population since 2010. Rural America still has fewer jobs in 2019 that it did in 2008 before the Great Recession. Urban and metropolitan areas in the U.S. not only gained back all jobs lost in the Great Recession, but have added 12 million more.

The story is the same in New York when we contrast Upstate and Downstate. According to the State Comptroller (Report 10-2018 | February 2018), New York City alone is responsible for half of the state's job growth since the Great Recession, over 600,000 new jobs. The Comptroller states that "The City's suburbs (Long Island and Westchester, Rockland and Orange counties) were responsible for most of the rest of the State's gains."

The population story mirrors the job growth story. From 2010 to 2017, the U.S. Census estimates that New York has seen a net gain of 142,000 people. The downstate areas of the lower Hudson Valley, New York City and Long Island saw a gain of over 250,000 people, while collectively Upstate counties saw a loss of over 100,000 people.

Estimated Population Change in New York State, 2010-2017



When we look at the utility of the REDC program, the proof is in the pudding. Our great city is adding hundreds of thousands of new jobs and new residents. Downstate counties are doing the same. Across Upstate New York, our rural areas are experiencing different trends.

For the Adirondack Park, New York's premier environmental area, the home of the greatest Wilderness in the Northeast U.S., the greatest wild area east of the Mississippi River, the place that New Yorkers have depended upon for wildness and wilderness experiences for generations, a protected landscape defended by a multi-generational and bipartisan commitment for the last 125 years, the REDC program represents a profound missed opportunity and is simply an exercise in political pageantry and packaging that delivers only a fraction of the money and support that it claims.

The problems of the REDC approach in the Adirondack Park are many. First, the REDC cuts the Adirondack Park into three regions – North Country, Mohawk Valley, Capitol District. The lion's share of funding goes to population centers outside the Adirondack Park, in places like Plattsburgh, Watertown, Utica, Saratoga Springs and the Capitol District. Because the Adirondacks is chopped into three pieces our communities do not receive the strategic planning investment needed for small communities like Lake Placid, Tupper Lake, Saranac Lake, Warrensburg, Lake George, Indian Lake, Long Lake, Old Forge, among many others.

Second, here's an accounting of the REDC funding for the North Country in 2019. To great fanfare and political theater, the REDC claimed that it awarded the North Country \$67.9 million. It would be great for the North Country to get \$67.9 million in economic development assistance, but we will not get anything close to that amount.

\$35 million of the \$67.9 million is to be awarded through the Federal Industrial Development Bonds program. This program is rarely used in the Adirondacks. Another \$3 million is in Excelsior Job Credits, another program that is hardly ever used in the Adirondacks. Of the \$67.9 million, 56% will never be awarded because it's slated for programs that are not relevant or utilized in the North Country or the Adirondacks.

Another \$13.6 million was allocated for culvert replacements and up-sizing, municipal water and sewer projects, stormwater protection, and municipal salt storage sheds. All worthy projects, but these are not economic development projects. Fully 20% of the REDC award in 2019 is slated for municipal infrastructure projects. Again, these are important and worthy projects, but in no way does this represent sound long-term investments in the rural economy of the Adirondacks or the North Country.

Less than one-quarter of the \$67.9 million in 2019 REDC funding is slated towards actual community or economic development projects in the North Country. These are awards for planning, business assistance for expansion or start-up, site remediation and readiness, non-profit expansion, museum exhibitions, among other worthy projects.

In the Adirondacks, and across many areas of Upstate New York, we're in competition with vast areas of Rural America. Fully half of all counties in Rural America are losing population. In New York, 53 out of 63 counties, all but one of them in Upstate, lost population from 2010 to 2018. Given this reality that over 1,000 counties across the U.S. is trying to recruit people to relocate there, we need state programs that are not heavy on political pageantry and light on actual funding but are programs with real money to support real strategies for rural community and economic development. We need to help build local institutions, amenities, parks, streetscapes, viable businesses, and support

planning, and invest in affordable housing, in a way that makes our Upstate and Adirondack communities attractive places for people who grew up there to choose to stay, for people from outside the area to move to, and that are ripe for investment.

If only we really had \$67.9 million for community and economic development funding now. Wouldn't that be great? Unfortunately, the REDC program does not actually get the money it claims to local communities in the Adirondacks to make high-quality strategic investments in planning, community and economic development. This needs to change.

In addition to the great missed opportunities with the REDC, the State of New York has pumped hundreds of millions of dollars into the Olympic Regional Development Authority (ORDA) for three alpine ski mountains and a winter cross-country skiing and biathlon facility. There is more to the Adirondack Park economy than ORDA. We need to invest in the trails, public education, information centers, parking areas, and science to monitor public use and environmental impacts on the public Forest Preserve, where management and maintenance have never been adequately funded. Our local economy and communities have been short-changed as a result.

In the Adirondacks local government leaders, business leaders, and local residents have come to see that our protected landscape, the Forest Preserve, the people's land, is our greatest economic asset. It's what separates us from other areas across Rural America. It's what brings millions of people to visit the region. It's the cornerstones for our economic future and for the development of our communities. Some of our leaders have dedicated their careers to weakening the Park's environmental protections and unfortunately Governor Cuomo has bought this erroneous agenda hook-line-and-sinker and instructed state agencies to embark upon agendas to dumb down and weaken environmental protections and laws for the Forest Preserve and Adirondacks because they mistakenly believe that by doing so will somehow, someday, lead to economic growth and prosperity. In the Adirondacks, the Governor has gotten it wrong since Day 1. We count on the Legislators in the Senate and Assembly to get it right. We need to fix the REDC to make sound long-term investments in our rural communities and we need our state agencies to balance environmental protection and economic development.

On behalf of the Board of Directors of Protect the Adirondacks, please accept my gratitude for the opportunity to present our concerns about economic development spending in the 2020-2021 state budget.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Bauer". The signature is fluid and cursive, with a large initial "P" and "B".

Peter Bauer,
Executive Director