

Rebuilding the Upstate Economy, City by City

Plattsburgh and the Champlain Valley

Plattsburgh International Airport

Plattsburgh, NY

October, 18, 2007

Thank you for having me here. Returning to the Plattsburgh International Airport is always a pleasure for me because, believe it or not, last year, I was unofficially the first passenger ever to come through this terminal. Even on that first trip, I was immediately struck by how beautifully this terminal is designed, how efficiently it is operated, and how much potential it has to catalyze economic growth in this region. How we as a state government can work with you to seize this opportunity—and how can seize the opportunities offered by Plattsburgh’s many other competitive advantages—is the issue I want to focus on today.

The specific purpose of this speech is to present our two “City by City” projects for Plattsburgh and the Champlain Valley. But first, let me step back and relate our effort to the larger context in which we find ourselves.

Historians, novelists and poets have all written about the New York character. A fundamental part of that character is the ability to band together in the face of adversity; to come together and—through ingenuity, guile, hard work and sheer force of will—build something stronger than it was before.

And that is just what the Plattsburgh has done over the past 12 years.

For many decades, the Plattsburgh Air Force Base was *the* engine that powered this region’s economy. There were 5,000 servicemen stationed here. 1,000 people were employed here. It was a Strategic Air Command base, one of the most famous military bases in the world. Most importantly, it was a tremendous source of pride for the people of Plattsburgh. The men and women who were stationed here, and who worked here, played a leading role in the winning of the Cold War.

Then, in 1995, word came from the BRAC Commission that the base was going to close down.

Most people—not only here but around the nation—predicted disaster. One report said it would take Plattsburgh 40 years to recover, if it ever did. And, indeed, this region was shaken badly.

But Plattsburgh did not lie down and die. Instead, you staged a remarkable comeback.

Thanks to the efforts of the Plattsburgh Air Base Redevelopment Corporation, the Plattsburgh-North Country Chamber of Commerce, the Development Corporation, the City and Town, the County, and the entire community, you came together and rebuilt. Obsolete structures were cleared away. The land was made shovel-ready for new uses. Bombardier came, and

immediately won a major contract to build the Acela train. Over 60 great companies followed, including leaders in aerospace, engineering, energy, high-tech manufacturing, telecommunications, health care and homeland security. In fact, of the 165 parcels that were available in 1995, only 20 remain.

In this way, I believe Plattsburgh should be seen as a model for all of Upstate. We're not all the way there yet, but we've shown that it's possible to take a huge blow and bounce back. As cities like Buffalo work to recover from the decline of heavy industry, and Rochester from the loss of jobs at key employers, let them look to Plattsburgh as an example of how—with hard work, focus and sheer force of will—a community can rise from the ashes.

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While we celebrate this achievement, however, we also must recognize a sobering fact: that now we face an even more challenging task—competing and thriving in the Innovation Economy of the twenty-first century.

Not only do we face the task of finishing Plattsburgh's comeback—we need to do it in a world that grows more competitive by the day.

It's not going to be easy.

But what I want to make clear today is that in this effort, you will have a strong and unwavering partner in the State of New York. Plattsburgh is poised to compete and thrive, and we on the state level are going to work tirelessly with you to ensure that this region realizes the full measure of its opportunity in an increasingly competitive global economy.

All of our efforts must center on helping Plattsburgh make the most of its competitive advantages. And the fact is that, in the global economy, Plattsburgh's competitive advantages are extremely compelling.

Above all, Plattsburgh's competitive strengths are defined by a vertical line and a horizontal line. The horizontal line is the border between the United States and Canada. The vertical line is the Montreal-to-New York corridor along Interstate 87. Both the border and the corridor offer Plattsburgh incredible opportunities to capitalize on international trade and commerce.

To make the most of these opportunities, I have already begun working closely with Prime Minister Jean Charest of Quebec on issues related to economic growth, security and the environment.

In fact, the Prime Minister and I met at my New York City office just last Friday. We share the same priority—to make our borders more secure while facilitating increases in trade—and importantly, we know these goals are not, and must not be, mutually exclusive. Therefore, we have agreed to meet next May and hold the bi-annual “Quebec-New York Summit” to map out a common strategy for meeting these challenges. On New York's end, we have entered into

discussions with the Department of Homeland Security to explore a pilot program for an enhanced driver's license that would comply with the Western Hemisphere Travel Initiative.

But the international border and the Montreal-New York Corridor are only two of Plattsburgh's competitive advantages. Others include this airport itself, which is poised for growth due to its proximity to Montreal and its relative affordability compared to the main Montreal airport; the Air Base itself, which has an outstanding infrastructure for economic development; and SUNY-Plattsburgh and Clinton Community College, because, in the Innovation Economy, institutions of higher education are becoming more and more important as engines for economic growth. Last but not least, companies are increasingly making locational decisions based on quality of life; and with the Adirondacks, Lake Champlain, the Green Mountains, and Montreal, it's hard—if not impossible—to beat the quality of life in the Plattsburgh region.

To help you capitalize on these advantages, we have implemented a comprehensive strategy to rebuild Upstate New York's economy so it can compete on the global stage in the next century.

Our strategy is a four-legged stool: (1) reducing costs; (2) bolstering strategic industries; (3) strengthening infrastructure and (4) revitalizing cities.

Today I want to briefly talk about what we have done, and what we are doing, on each of these fronts, and I want to close by presenting our City by City projects for Plattsburgh and the Champlain Valley region.

Getting Results: Our Strategy for Revitalizing the Upstate Economy

Over the past nine months, working with our partners in the Legislature, in labor, and in the business community, we have taken on many issues that were said to be intractable—that were given up as impossible. And we have challenged the status quo, broken gridlock and achieved real results.

Reducing the Cost of Doing Business

First, we have reduced the cost of doing business.

We brought business and labor together and reformed our workers' compensation system, allowing us to raise payments for injured workers while reducing workers' comp rates by 20.5 percent—saving New York's businesses \$1.2 billion dollars.

We laid the foundation for reducing health care costs by cutting our Medicaid budget by \$1 billion dollars, reducing what had been an 8 percent annual Medicaid growth rate to less than 1 percent.

And we cut taxes. We enacted the largest property tax cuts in State history—\$1.3 billion dollars—and targeted them to the middle-class homeowners that need them most. We also cut taxes for businesses, with a special reduction for manufacturers.

Adapting to the Innovation Economy: Investing in Education and Building Strategic Industries

Second, we have begun to adapt to the Innovation Economy by investing in education and building strategic industries.

In today's economy, jobs and investment will flow where the most educated and high-skilled workers are. That's why, this year, we not only made a historic investment in our schools—increasing aid by \$1.8 billion or 10 percent—but we also delivered on our promise to establish a rigorous accountability program—the Contracts for Excellence—to ensure that this infusion of funding gets results. We know that, more than anything else, our people are our greatest resource, and we are going to raise a new generation of New Yorkers that has knowledge and skills they need to achieve economic security and compete in the Innovation Economy.

Succeeding in the Innovation Economy also demands economic development agencies that are nimble, quick and effective—because Upstate New York is now competing not only with cities in nearby regions, but with regions all over the world. That's why we established an Upstate headquarters for ESDC, led by Dan Gundersen. Under Dan, Upstate ESDC is getting results. Over the past 8 months, they have secured pledges to create 2,900 jobs, retain 9,400 jobs, and invest \$1.45 billion in private dollars in the Upstate economy.

Another part of our strategy to adapt to the Innovation Economy involves growing strategic industries.

Upstate New York has many industry sectors that are thriving—such as aeronautics and advanced manufacturing in the Plattsburgh region; optics and imaging in Rochester; agriculture and tourism in the Finger Lakes region; biosciences in Buffalo; and nanotechnology in the Capital Region.

Moreover, in addition to having different industry clusters, each one of these regions also has different geography, different infrastructure, different comparative advantages and disadvantages.

Therefore, as we address the macro-level issues on the state level—like reducing the cost of doing business—we are also complementing that statewide strategy with a focused, regional approach.

The centerpiece of our regional approach is the Regional Blueprint process. In late September and earlier this month, we held Regional Blueprint meetings around the state—bringing business leaders, economic development organizations, political leaders, and community and civic organizations together for conversations about how to strengthen strategic industries and the overall economy in each region.

These Regional Blueprint work sessions will inform our overarching economic development strategy—which will not be a one-size-fits-all approach, but one that includes policy, programmatic and budget proposals that will support each region's unique assets and address their unique challenges.

Investing in Infrastructure

The third part of our plan is to invest in the infrastructure needed to catalyze and sustain economic growth.

For one example, take energy. We are implementing a strategy called “15 x 15” to reduce electricity consumption 15 percent by 2015 so that, in the long term, we can reduce the demand for energy that is driving up costs. We also extended the Power for Jobs program, and we look forward to making that program an even more effective mechanism for attracting business to New York State.

Overall, I am proud to report that—as a result of what we have been able to achieve together—the Upstate economy is stronger and more competitive today than it was nine months ago.

Revitalizing Communities: Our “City by City” Plans

But what I want to really focus on today is the fourth pillar of our strategy: our City by City plans to revitalize our Upstate communities, including Plattsburgh.

The purpose of our City by City Plans is to break gridlock by establishing priorities—by clearly identifying the pivotal projects in each community and then providing the leadership, the funding, and the will to get them done.

This doesn’t mean that we will not support other projects. It simply means that we have identified certain projects that we will approach differently than the state has in the past. Each state agency will focus their efforts on these projects—working with one another and with stakeholders on the local level to keep projects moving forward and ensure they get done.

Starting last week, I began traveling to several Upstate communities to discuss our City by City projects. Let me now present our two priority projects for Plattsburgh and the Champlain Valley.

Priority Projects for Plattsburgh

Plattsburgh International Airport

The first project I want to announce concerns a major facility at Plattsburgh International Airport.

In a broader sense, part of what we are focusing on with our City by City plans is transforming outdated facilities for economically relevant new uses.

In Buffalo, we are turning the Inner Harbor from a defunct shipping center into a hub for tourism, recreation and retail. In Rochester, we are deconstructing Midtown Plaza, a down-at-the-heels shopping mall at the center of town, and building a corporate headquarters for a telecommunications firm.

Today, I want to make a similar announcement about an important facility at the Plattsburgh Airport.

The airport potentially represents 1.5 million square feet of aviation-related industrial space, and includes over 100 acres of nearby developable industrial land. One obstacle to development, however, is that the airport's existing hangars are nothing more than metal shells. As they are, these hangars are not marketable for modern uses.

Therefore, the State will invest \$2 million dollars to support the community's efforts to retrofit one 28,000 square-foot hangar—the Air Force nose-dock hangar—with insulation, electric heat and doors, transforming it from a Cold War relic into a key tool for attracting investment to the airport and the region.

This project will enable us to continue building on the momentum that is already happening at the airport and to ensure that it has the infrastructure it needs to compete for investment in the global economy.

Universal Broadband Access

The second City by City project I want to announce today is an infrastructure project that will have a major impact not only on Plattsburgh, but on all of Clinton, Franklin and Essex Counties.

So far we've discussed many of the competitive advantages that this region has. Now, we will take a major step forward in addressing one of the largest competitive disadvantages in many parts of this region: the lack of affordable, high speed broadband access.

As we move from the industrial age to the information age, we must begin to think beyond traditional forms of infrastructure. Our goal must be to make New York State the most connected and technologically advanced place to do business in the world. But today, especially in many of New York's rural areas, we are still a long way from that goal.

The lack of broadband access holds this region back in countless ways.

Small businesses are hurt because slow Internet service increases their overhead and prevents them from being connected in real time to suppliers and customers. Research institutions such as the Trudeau Institute in Saranac Lake have told us how their scientists often can't send research files from their homes or apartments because all they can get is dial-up. First responders and emergency workers lack the robust and redundant communications systems that they need to save lives. And the Elizabethtown Community Hospital is just one of many hospitals in this region that have told us about how their inability to share large records and files over the Internet has a real impact on patient care. In fact, health care facilities throughout the region have confirmed that the poor communications infrastructure has even caused them to lose some of their best physicians.

For all these reasons, and more, I am proud to announce that, starting today, the era when North Country residents were deprived of broadband access will come to an end.

A group of dedicated residents have already come together to form the Community Broadband Network, or CBN, to establish an open-access broadband network that would serve the residents of Clinton, Franklin and Essex Counties. Assisted by local IDAs, the CBN has devoted hundreds of hours to this project.

Today we are announcing that the State will match a federal grant of \$250,000, enabling design and construction work to begin on this network. The design phase will last one year, and the approximately 500-mile system will take three to five years to construct.

As a result of this project, within just a few years, we will establish affordable, high-speed broadband service throughout Clinton, Franklin and Essex Counties. Broadband will dramatically improve quality of life for residents—and it will enable these counties to compete at the forefront of the Innovation Economy.

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Let me close with a final point.

One month ago, in Cortland, my wife, Silda, organized the “I Live New York” Summit, which brought together hundreds of New Yorkers from all different walks of life to talk about how we can keep the next generation here.

In her opening remarks at the Summit, Silda said something that stuck with me. She said, “It is time to shift from deficit to surplus thinking. It is time to focus in each region on what our assets are and what our potential for opportunity is. New settlers want a place that believes in itself, one that offers hope and promise. So we in New York have to undergo a real mind shift.”

At this summit—and in cities, suburbs, small towns and rural areas across Upstate New York—one can sense a genuine optimism emerging about the future.

Upstate New York was once the birthplace of great innovations and great industries. Making the transition to the global economy will not be easy. But we have the ingenuity and the capacity to make it happen once again. That’s because transcending adversity is part of the New York character.

Plattsburgh is a great community. We have been through a difficult time. But we have embraced the future—and we are ready to confront the challenges of a changing economy. We have done it before, and I am confident that we can—indeed, that we will—do it once again.

Thank you.