



NATURALLY
LEWIS
LEWIS COUNTY, NY



2016

ANNUAL REPORT

LEWIS COUNTY ECONOMIC DEVELOPMENT

7642 N. STATE STREET, LOWVILLE, NY 13367

ABOUT LEWIS COUNTY ECONOMIC DEVELOPMENT

Lewis County Economic Development is the central office to provide business assistance and new business development in Lewis County, NY. Our office manages the operations of the County of Lewis Industrial Development Agency (IDA), Lewis County Development Corporation and Lewis County Economic Development. We work regionally with our neighboring counties and with the North Country Regional Economic Development Council, North Country Alliance, Drum Country Business, Development Authority of the North Country, and many other supporting organizations to foster economic growth in the North Country.

MISSION STATEMENT

Our mission is to attract and enhance industrial and economic development, help create jobs and maintain economic stability within Lewis County, to promote and enhance the economic conditions, recreational opportunities, prevent unemployment and economic deterioration, and to ensure the prosperity of the businesses, industries, communities, and citizens, leading to an overall better quality of life.



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A MESSAGE FROM THE EXECUTIVE DIRECTOR 2016 HIGHLIGHTS

Every year can be considered important, but I believe 2016 really sticks out for Lewis County Economic Development. The transition to a one-stop office combining the efforts of Lewis County and the Lewis County Industrial Development Agency (LCIDA) came to fruition. More importantly, the continued support from the County Legislators and the direction provided by the LCIDA Board of Directors began to come together for an effective working model.

For the first year in memory, Lewis County provided direct funding into an economic development reserve. This fund was appropriated to the LCIDA, and the LCIDA Board of Directors is responsible for determining how to use these funds on infrastructure or other projects to move our economic growth forward. A priority for Lewis County Economic Development is the creation of a Shovel Ready Commerce Park. With dedicated funding available, it is possible to take steps forward on a project of this nature, and, progress is happening. During 2016, we identified land for a Commerce Park and reached a purchase agreement with the property owner. We secured a NYS grant to assist with funding for an initial site development and preliminary engineering work has been started. We have also initiated the NYS Shovel Ready Certification process.

Other major projects include: The Lyons Falls mill site has seen significant progress with its third phase of demolition and clean up. An event was held in October to recognize the effort and to announce the name of the property - Black Moose Commerce Park. The Kraft Heinz expansion in Lowville dominated much of the local employment news. Construction was in high gear for much of 2016 with a planned opening for the expansion in early 2017. The company is expected to add over 100 new positions and significantly increase its milk purchases. The new employment will help to offset the major bad news from the year — the closing of the Climax Manufacturing Company in April. This long-time, family owned business, was abruptly shut down, leaving 160 people out of work. The vacant building does present opportunity for new business and a long term use is still undetermined as 2016 came to a close.

Another highlight for the year was the release of “Naturally Lewis” as our Lewis County Economic Development brand. A new website, naturallylewis.com, went live in April. In addition, we have associated marketing materials and active social media accounts on Facebook, LinkedIn, and Instagram. We are focused on communicating the great location to do business, both to our existing local companies and to new businesses not yet established in Lewis County.

A final sign of great progress in 2016 were additions to our staffing resources. Along with Vanessa Schulz, our administrative and accounting leader, Tim Petersen has joined the team as a Business Development Specialist, and Brittany Berrus became our full time Marketing Specialist late in the year. Having the personnel resources, to go along with financial funding for projects, makes Lewis County much more capable and competitive in the economic development arena. Our Lewis County Economic Development — Naturally Lewis — team is looking forward to making many more things happen in 2017.



Eric Virkler, Director of Economic Development



LEWIS COUNTY ECONOMIC DEVELOPMENT 2016 HIGHLIGHTS

IDA BOARD OF DIRECTORS

CHAIRMAN

Roscoe “Rocky” Fawcett

Retired Publishing Co. Executive, Current Lewis County Legislator

Member since 3/22/2011

VICE CHAIRMAN

Craig Brennan

Retired NYS Trooper, Current Lewis County Legislator

Member since 4/4/2014

SECRETARY/TREASURER

Christina Schneider

Vice President, Purcell Constriction Corp.

Member since 12/19/2014

MEMBERS

Shawn Moshier

Sr. Strategy & Analytics Consultant, IBM

Member since 2/4/2015

Joseph Lawrence

NYS Forage System Specialist, Cornell University

Member since 9/2/2015

Gary Herzig

Retired Small Business Owner

Member since 9/2/2015

Jared Thisse

Member since 2/6/2016

LEGAL COUNSEL

Tom Company

Company, McArdle & Randall, PLLC

COUNTY MANAGER

Liz Swearingin

LEWIS COUNTY BOARD OF LEGISLATORS

LEGISLATIVE DISTRICT 1

Philip C. Hathway

LEGISLATIVE DISTRICT 2 (Chairman)

Michael A. Tabolt

LEGISLATIVE DISTRICT 3

Craig P. Brennan

LEGISLATIVE DISTRICT 4

Bryan Moser

LEGISLATIVE DISTRICT 5

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LEGISLATIVE DISTRICT 6

Andrea Moroughan

LEGISLATIVE DISTRICT 7

Greg Kulzer

LEGISLATIVE DISTRICT 8 (Vice Chairman)

Lawrence Dolhof

LEGISLATIVE DISTRICT 9

Roscoe “Rocky” Fawcett

LEGISLATIVE DISTRICT 10

Jerry H. King

LEWIS COUNTY ECONOMIC DEVELOPMENT STAFF MEMBERS

Eric Virkler, Director of Economic Development

Tim Petersen, Business Specialist

Brittany Berrus, Marketing Specialist

Vanessa Schulz, Administrative Assistant

LEWIS COUNTY ECONOMIC DEVELOPMENT 2016 HIGHLIGHTS

LEWIS COUNTY INDUSTRIAL DEVELOPMENT AGENCY (IDA) HIGHLIGHTS

PROJECTS

Snow Ridge Ski Resort

Lewis County Economic Development (LCED) began working with the new owners of Snow Ridge Ski Resort in early 2015. A loan application led to general assistance in finalizing the acquisition of the business. The prospective owners signed an operating agreement in November 2015 and finally closed on the purchase in August 2016. A \$50,000 small business loan through the Lewis County IDA was part of the financing package for the entire resort purchase. We continue to work with the new ownership and currently are assisting as they look at funding for a groomer.



Barkeater Craft Brewery

Lewis County Economic Development started its partnership with Barkeater Craft Brewery in 2014 with a small business loan. In 2016, the Brewery embarked on a major expansion and LCED has been actively involved in this project. The LCIDA acquired a building on Trinity Avenue in Lowville to house the brewery expansion. LCIDA owns the building and is leasing it to BarkEater over a ten year period. The LCIDA also provided financing for the brewing equipment with a \$180,000 sales leaseback transaction. The new equipment was acquired in August 2016 and production began in November. BarkEater Craft Brewery now has two full time employees and three part time and expects to grow as it moves to full production over the next year.



Lowville Producers Dairy Cooperative

Lowville Producers Dairy Cooperative (LPDC) is experiencing growth in its laboratory operations given the expansion at Kraft Heinz Foods. LPDC purchased a new piece of laboratory equipment during the summer of 2016 and the LCIDA assisted with a sales tax exemption for a second piece of equipment. This item was ordered in December and the sales tax exemption will save LPDC approximately \$19,000. In addition, Lewis County Economic Development assisted the company with a NYS CFA grant application for the second piece of equipment. The application was successful and LPDC has a \$48,000 grant from NYS to further reduce the cost of the equipment. With additional laboratory capabilities, LPDC will be able to provide better service to its member farms by enhancing the quality of their milk produc-

tion. These improvements will ensure Kraft Heinz Foods receives the best product on a timely basis. In addition, LPDC expects to be able to perform services for other dairy cooperatives from outside of Lewis County. The new equipment is expected to add 2-3 new positions at the Dairy Cooperative.

Lewis County Commerce Park

LCED has been working on the development of a business/commerce park for approximately 3 years. 2016 brought significant progress with an agreement to acquire a 40 acre parcel of property outside of Lowville, NY. Preliminary analysis of the land was completed and later in 2016, a Shovel



Ready site analysis kicked off to seek certification from NYS for Shovel Ready Status. LCED also submitted a NYS CFA grant request for this project and the Commerce Park was designated as a Priority Project by the

North Country Regional Economic Development Council. This led to a successful grant award in December and we expect to move this project forward with the development and construction of the first pad in 2017.

Climax Manufacturing

An unfortunate, negative event in 2016 was the abrupt closure of the Climax Manufacturing Company. This paper boxboard business had been in operation for over 100 years. Its closure impacted the employment of approximately 160 people. LCED actively worked with company ownership to seek new operators for the facility. We provided short term financing to hold the equipment onsite for a 60 day period to no avail. The shutdown could not be averted and the manufacturing equipment was sold and the building is currently vacant. LCED continues to assist the company ownership seeking new uses for the property.

Economic Development Reserve Fund

For possibly the first time, Lewis County Board of Legislators provided a significant funding source for economic development projects. The 2016 County budget included a \$700,000 capital reserve for economic development. This funding was transferred to the LCIDA, and the LCIDA Board of Directors has discretion on utilization of these funds. The priority identified by the County Legislators is for business park development and the initial funding for the activities completed for the Commerce Park have drawn on this fund. \$100,000 was also allocated and distributed to the Lewis County Development Corporation (LCDC) for Phase 3 of the Lyons Falls mill project. County Legislators have allocated additional funds for this reserve for 2017 and the LCED and LCIDA board intend to use these funds as important stimulus for infrastructure projects.

LEWIS COUNTY ECONOMIC DEVELOPMENT 2016 HIGHLIGHTS

LEWIS COUNTY IDA HIGHLIGHTS CON'T

GRANTS

LCIDA/LCDC COMPLETED GRANTS

- **New York Empire State Development Grant Program:** LCIDA requested and was awarded \$135,000 for the future Lewis County Commerce Park. The funds will be put towards engineering, infrastructure and land purchase of the park. The 40 acre site will be NYS Shovel Ready certified
- **Northern Border Regional Commission:** The LCIDA requested and received \$164,000 for the Village of Lyons Falls. The project included extending a village waterline in order to build a new United Cerebral Palsy building that would create 16 new jobs in Southern Lewis County. The UCP building will be opening in early 2017.
- **Restore NY:** The LCDC applied for \$500,000 from the NYS Restore NY fund in Fall 2016. If awarded, these funds will be a key component of Phase 4 of the cleanup at the Lyons Falls mill site. Award notification was unknown at the end of 2016.
- **National Grid Shovel Ready:** LCIDA was awarded \$27,750 to support 50% of the cost of the consulting fees for the Shovel Ready certification process for the Lewis County Commerce Park.
- **National Grid—Lyons Falls Mill Project:** The LCDC was awarded \$222,500 to assist with Phase 3 of the demolition and cleanup at the Lyons Falls mill site. This grant was approved in 2016 and is expected to be received in early 2017.
- **DANC Infrastructure Grant/Loan:** The LCDC was awarded a \$250,000 grant/\$250,000 loan to be used to fund Phase 3 of the Lyons Falls mill project.

LCIDA GRANT ASSISTANCE

CFA Grant Assistance: Many local businesses applied for Empire State Development funding for economic development.

Successful Grant Applications

- **Zehr's Landscaping:** LCED assisted with a grant application for a project to construct a new facility to house their expanding garden and commercial landscaping center.
- **Omniafiltra, LLC:** LCED assisted with a grant application for a project to launch a 2017 Capital Investment Program to replace and upgrade aging equipment to improve productivity and reduce energy expenses.
- **Lowville Producers Dairy Co-op:** LCED assisted with a grant appli-

cation for funding to purchase lab equipment in order to measure milk quality and conduct more efficient milk testing to support the Kraft expansion in Lowville, NY.

Other Grant Assistance

- **American Maple Museum:** Applied for funding for museum improvements and to create an interactive Maple exhibit to increase tourism in the area.
- **Aries Chemical:** Applied for funding for a project to improve their existing facilities and begin preparing for their future expansion.
- **Boondocks/The Edge:** Applied for funding for a major expansion of the Boondocks Restaurant and construction of a new conference center; one of the largest facilities in the North Country.

PILOTS

Roaring Brook Wind

This PILOT agreement was originally approved in 2013. Construction of the project has not started and the company requested to renegotiate the terms. In early 2016, the LCIDA and four taxing jurisdictions held multiple meetings and completed a new PILOT agreement that will be initiated when the wind project moves into construction.

Denmark Wind

This PILOT agreement was finalized in mid 2016 and the company started initial site work, activating the sales tax portion of the agreement. Denmark Wind expects to continue construction in 2017 with potential project completion in 2018.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

During the second half of 2016, LCED staff and a small committee of LCIDA board members and community business members developed a targeted Strategic Plan for economic development activities. This plan is an extension of the Lewis County Comprehensive Plan completed in 2009. In essence, this new plan provides specific guidance on the priorities and key activities that LCED staff and Board will focus on in the future years.



LEWIS COUNTY ECONOMIC DEVELOPMENT 2016 HIGHLIGHTS

LEWIS COUNTY DEVELOPMENT CORPORATION(LCDC) HIGHLIGHTS PROJECTS

Lyons Falls Mill Project

The Lyons Falls mill project will complete its third phase of demolition and cleanup in late 2016. Over the last 3 years, significant progress has been made at the site and the majority of the structures have been removed. The LCDC has spent approximately \$3.9 million to date with most of the funding coming from external sources. A fourth phase to complete the project is planned for 2017 with an estimated cost of \$1.6 million. The LCDC is currently identifying funding for this final phase. National Grid, a tremendous supporter of the Lyons Falls Mill Redevelopment, could give up to \$300,000 in 2017 for further funding. The Lyons Falls mill redevelopment is a priority project that will provide a tremendous, waterfront property for future business growth in southern Lewis County.

Tug Hill Vineyard USDA Grant

The LCDC closed a USDA grant in early 2016 to benefit the Tug Hill Vineyards. This award provided a \$63,000 grant for the expansion of the vineyards production facility.

Croghan Dam & Microgrid

Over the last 5-7 years, the LCDC has been actively seeking a method to rehabilitate the Croghan dam with an additional goal to create a renewable energy generating facility. NYS funding to analyze the potential for a community microgrid was received in 2015. Analysis and effort has continued during 2016, however, at this time, the potential to develop a microgrid and to generate electricity at the Croghan dam are not favorable. These projects will continue to be of interest to the LCDC but activity in the near term will be limited.

ECONOMIC DEVELOPMENT MARKETING

NEW BRANDING

Lewis County Economic Development, with the help of Paige Group, developed a new brand, logo, and marketing materials for economic development growth purposes. "Naturally Lewis" is the coined term for Lewis County and economic growth in the future. Through



community studies, interviews and focus groups, Paige Group identified three target industry sectors as focus points for economic growth: Dairy and Food Processing, Small Business/Cottage Industries, and Resource-based Industries.

As Lewis County Economic Development switched gears and focus, the new brand and campaign kicked off in mid-2016. Along with the new logo, Paige helped to create marketing materials that are vital to the growth of the County. A brand new website, created by Coughlin Printing, was developed and launched mid-year, and sell sheets and brochures were designed and printed. Through the use of these new marketing materials, they have proved to be vital assets to the growth of Lewis County and continue to be updated as needed.

Check out the newly improved website at: naturallylewis.com



NATURALLY LEWIS AWARDS

Lewis County Economic Development and Naturally Lewis received two Best of Class and one Honorable Mention award for marketing materials from the NYS Economic Development Council. The awards were given for the one page sell sheets, multipage brochure and the Naturally Lewis videos, as seen on the Naturally Lewis website.

LCIDA HIRES MARKETING SPECIALIST

Through marketing improvements, the LCIDA determined that another staff member was needed to implement the new marketing campaign. A Marketing Specialist was hired in June of 2016 as a part time, 20 hour a week, employee, and soon became full time in December of 2016.

LAUNCH OF SOCIAL MEDIA

As marketing trends have changed year to year, one of the most important marketing tools, aside from the creation of a new and improved website, is a social media presence. Lewis County Economic Development launched Facebook, LinkedIn and Instagram accounts that continue to grow in followers. From County news, to regional fun facts, to informative seminars, to scenic photos taken by locals, social media has helped our image not only internally, but to those outside of the County.

Social Media is one of the most important forms of marketing this day in age. Though traditional marketing through print ads and other forms of media are still popular, people are more likely to see and hear of news, happenings, and events through social media. One photo can reach thousands and thousands of people.

For example, a photo of the fall foliage was taken from the top of a wind

LEWIS COUNTY ECONOMIC DEVELOPMENT 2016 HIGHLIGHTS

turbine in Lewis County, NY and was shared on the Naturally Lewis Facebook page. As a result, the photo had over 300 LIKES, over 400 SHARES, and because 400 people shared the photo, over 36,000 people SAW the photo. The exposure for the Naturally Lewis brand, website, and Economic Development office increased significantly, because of one photo. As we continue to use the internet and social media, our community and external presence will continue to increase, not only as the Economic Development one-stop-shop office, but the County as a whole.



DRUM COUNTRY BUSINESS PARTNERSHIP

Through Drum Country, Lewis, Jefferson and St. Lawrence Counties have cooperatively worked together to leverage resources to promote and market the North Country and our Region. Drum Country has hired an outside consultant, Gruber Phillips, to undergo a business outreach campaign for the North Country. Together, the 3 Counties, under Drum Country, are able to offer a region full of opportunity to business and companies who are interested in relocating to the North Country. Lewis County will continue its partnership with Drum Country and its neighboring Counties to help the economic growth of the North Country. For more information, visit the website: drumcountrybusiness.com.

PUBLICATIONS

Lewis County Economic Development was featured in the December 2016 issue of *Business in Focus*, a publication that reaches over 300,000 CEO's, business owners and top executives in multiple industries all over the North Country. The 3 page article depicts the true advantages of living, playing and working in Lewis County. To see the entire publication, click the link: [Business in Focus](#) (we are on page 62!).

COMMUNITY & BUSINESS OUTREACH

BUSINESS LEADERS BREAKFAST

Every 3 months, the Lewis County Economic Development office hosts a Business Leaders Breakfast. This event has proven to be successful as attendance reaches on average 50 people per event. Four business breakfasts were held in 2016 at various locations around the County. These events continue to grow in attendance and popularity.

MANUFACTURERS COMMITTEE

LCED continues to organize regular meetings with the Lewis County manu-

facturing companies. Seven to eight businesses participate regularly in these meetings with a focus on shared training opportunities and other topics of mutual interest. The group met five times in 2016 and was active in working with Jeff-Lewis BOCES in developing a new curriculum for a manufacturing program for high school students.

SMALL BUSINESS FUNDING SEMINAR

Lewis County Economic Development hosted its first Small Business Funding Seminar in October of 2016. With seven agencies in attendance (Development Authority of the North Country, Community Bank, North Country Alliance, USDA, Small Business Development Center, US Small Business Administration, & North Country PTAC), the seminar had approximately 20 Lewis County entrepreneurs and business owners in attendance. This seminar gave business owners and entrepreneurs a chance to listen and speak with representatives from these agencies, and meet with them to further their business plans on later dates.

CUISINE TRAIL

Staff members from Lewis County Economic Development applied for the Lewis County Cuisine Trail certification through NY Ag & Markets in 2016. With over 20 producers that showed interest in participating in the trail, results from Ag & Markets concluded that Lewis County was granted the rights to the Cuisine Trail with a definite 10 producers. More research and work will be done in 2017, in collaboration with Lewis County Chamber of Commerce and Cornell Cooperative Extension, to get the trail up and running.

WHAT'S IN STORE FOR 2017?

In 2017, Lewis County Economic Development will continue to focus on business growth, strategic planning, and continued visibility within and out of Lewis County. Here are just a few projects in store:

MARKET ANALYSIS

Lewis County Economic Development will work with consultants on a market analysis that will align targeted industries to specific businesses, research industry trends, and focus on a business outreach program to help grow existing businesses and market to outside companies that fit in our targeted industry sectors.

INCREASED VISIBILITY

Through our marketing efforts, Lewis County Economic Development will continue to use the website, social media, newsletters and other publications to publicize our services, events, and information specific to Lewis County. Creating awareness among our local citizens is the best way to foster entrepreneurship and help the growth of our existing businesses.

LEWIS COUNTY ECONOMIC DEVELOPMENT 2016 HIGHLIGHTS

SEMINARS & EVENTS

Lewis County Economic Development will continue to host seminars and events specific to Lewis County businesses and entrepreneurs. Informational seminars specific to business planning, marketing, financing and other topics will be a focus for the 2017 year. Business Leaders Breakfasts will continue to grow, and we will continue to utilize our partner organizations to assist with events.

LEWIS COUNTY COMMERCE PARK

2017 will be a significant year for the Lewis County Commerce Park. With initial engineering underway, the park will continue to grow and will eventually gain NYS Shovel Ready Status. Phase 1 will be underway, with the engineering, site design and construction of driveway, first pad site, and installation of utilities. Continued marketing efforts for the Commerce Park will create awareness and help to fill open sites with businesses within our targeted industry sectors.

JEFFERSON COMMUNITY COLLEGE EXTENSION

Lewis County Legislators have allocated \$4 million to create an educational extension of Jefferson Community College in Lewis County, NY. The new educational facility will offer training in manufacturing and agribusiness industries. Possible curriculums in wine-making, meat cutting, welding, and other programs will be available to students of all ages. The Lewis County Planning Office has worked diligently to finalize the project and construction is said to possibly start in late 2017. The new extension center will have a tremendous impact on workforce development, training, and economic development in Lewis County and the North Country as a whole.



WE LOOK FORWARD TO
CONTINUED PROGRESS AND
SUPPORT IN 2017. THANK
YOU TO ALL THAT HAVE
DEDICATED THEIR TIME
AND EFFORTS TO HELPING
US SUCCEED.

