

North Country Regional Economic Development Council

2012 Tourism Work Group Update: July 30, 2012

Key Strategy: Put in place tools to attract private investment which will drive demand to revitalize and diversify communities and create a climate that will allow entrepreneurs to flourish.

The Tourism Work Group has met twice in June and July and has focused on addressing its related key strategy by refining positions on a tourism loan fund; tourism corridors, and tourism hub communities.

Each of these projects directly addresses creating basic tools to implement the vision of activating tourism as a driver to diversify our economies.

Community Transformation Tourism Fund

The Work Group recommends maintaining this fund as a priority for 2012-13 and has coordinated a CFA for the program with Adirondack Economic Development Corporation. The goal of the fund is to provide low or no interest loans to projects that further a destination's development of visitor amenities. The program will especially target destination lodging in waterfront areas. Adjustments to the program from the 2011 proposal include:

- ✓ Seed funding at \$2.5 million rather than \$7 million
- ✓ Clarification that loans are for capital development only
- ✓ Structure incentive that ties interest repayments to sales tax collections
 - Forgiveness of interest portion of loans in the amount of state sales tax collected (4%)
 - Sales tax tracking builds in a fundamental performance tracking metric
 - Loan principal to be fully repaid, maintaining revolving fund
- ✓ Project sponsored by NCREDC and managed by AEDC
 - AEDC manages fund and loans, performs due diligence
 - NCREDC evaluates and decides on loan applications

Strategic Tourism Investment Planning

The Work Group recommends that the NCREDC prioritize regional tourism planning initiatives that lead to targeted capital investment along corridors and within communities that demonstrate a desire and capacity to use tourism as a tool in economic transformation.

Tourism Corridors: Byways, Blueway and Trails

The Work Group proposes that the NCREDC continue its support of tourism corridor initiatives. Throughout the North Country, existing programs have identified opportunities for development along corridors. The Work Group recommends that the NCREDC support implementation and coordination of the corridor plans.

- ✓ Corridor programs with economic development planning components:
 - Blueways – Department of State program
 - Byways – State and national level programs under the Department of Transportation

Note: other corridor (trails) plans also exist and may be appropriate tools in tourism development.

Tourism Hub Communities

The Working Group also advocates that the NCREDC pursue a program to identify communities in which tourism can have a high impact on the economy and that the NCREDC encourage the development of strategic tourism plans for those communities which will allow it to prioritize related investments.

To implement a consistent process across the region, the Work Group suggests that the NCREDC seek the assistance of a state agency in the development and coordination of such a program, recognizing that the program could be a pilot for the entire state.

Note: Experience with this process exists in the region - Essex and Clinton counties already have master tourism plans in place for several communities and tourism development is a significant component of other community plans such as LWRP and CEDS. The Province of Ontario has sponsored master plans in the St. Lawrence River communities bordering the North Country.