

WARREN COUNTY 2040: THE ECONOMY

Warren County's economy is organized into two sections: industry and workforce. These sections consider both sides of the economic equation – the industries and employers that constitute the economic base of the County and the employees that occupy jobs in those industries.

While the County's businesses and workforce are the key drivers of economic performance, the County has direct and indirect influence over business conditions through its budget allocations, tax policies, and its actions as one of the County's largest employers.

INDUSTRY

THE COUNTY'S ROLE

The County government's greatest direct influence over the County's economy is its tax policies and tax rates. In New York State, counties have the authority to set property taxes, sales taxes, and occupancy taxes, which all affect the cost of living, business operating expenses, and the revenues a County generates to allocate across County operations, services, and special initiatives. The property tax rate (4.06%), sales tax rate (7%), and occupancy taxes are relatively modest compared to rates charged across the State.

The County oversees and directs a \$192 million budget (2024), giving it purchasing power for negotiating prices and significant opportunities for directing spending within the County when possible. The disbursement of funds to employees that live, pay taxes, and spend disposable income with County businesses and procurement of goods and services from Warren County-based businesses has a significant direct impact on the Warren County economy.

The County's Planning and Community Development Department leads economic development initiatives, acquires resources for County-led economic development initiatives through grant awards, and supports initiatives and grant pursuits led by partner organizations and local municipalities. Its Tourism Department is responsible for promoting the region, particularly the Lake George Area, as a premier vacation destination. The department executes year-round marketing campaigns to create brand awareness and attract visitors from major markets.

Finally, the County exercises influence of the economy and economic development through the funding it provides to the major economic development agencies active in the County, including Warren County EDC, Warren-Washington IDA, Warren County LDC, and the Lake George Lake Champlain Regional Planning Board (LCLGRP).

STAKEHOLDER/PARTNER ORGANIZATIONS

- **Warren County Economic Development Corporation (EDC)** is a not-for-profit organization dedicated to fostering economic growth and development within Warren County, New York. The EDC provides a variety of services including technical and regulatory assistance for existing companies, marketing the region to attract new businesses, administering the Warren County Empire Zone and Foreign Trade Zone, and offering site selection assistance. The EDC supports local businesses

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through initiatives such as the administration of loan programs, sponsoring workshops, and facilitating partnerships with local, State, and federal agencies.

- The **Warren and Washington Industrial Development Agency (WWIDA)** is a State Public Benefit Corporation dedicated to fostering economic growth in Warren and Washington counties. The agency provides incentive-based assistance to help businesses start, expand, or relocate to the region, creating jobs and driving economic activity. The WWIDA also manages two industrial parks, one of which is located in Warren County (the Airport Industrial Park) . WWIDA's projects have attracted over \$580 million in local business investment and created more than 750 jobs across various sectors.
- Warren County is one of five counties served by the **Lake Champlain Lake George Regional Planning Board (LCLGRP)**. In addition to being one of nine established Regional Planning Boards across New York State, the LCLGRP is also the federally designated Economic Development District for the region. They regularly produce a Comprehensive Economic Development Strategy (CEDS), which helps identify regional economic development needs and communicates these needs to federal agencies including the US Department of Commerce. The LCLGRP's economic development work includes centralizing information on State and Federal grant programs, providing vital technical assistance and grant writing services, a Business Retention and Expansion (BRE) program, and small business assistance. The LCLGRP operates a regionally based Small Business Loan Fund program that provides financing to support the growth of small businesses throughout the region. The program provides low-cost, short-term financing to start-ups and expanding businesses. In 2023, the LCLGRP also launched its Small Business Technical Assistance Program (SBTA), which provides technical assistance and coaching in all aspects of business management. .
- The **Warren County Local Development Corporation (WCLDC)** is dedicated to enhancing the economic well-being of Warren County by providing supplemental financing and support for local businesses. Its mission includes creating new jobs, retaining existing ones, and broadening the local tax base. The WCLDC administers the County's small business lending program and offers gap financing..
- The **Adirondack Regional Chamber of Commerce (ARCC)** offers a wide range of services designed to support local businesses, including business counseling, networking opportunities, and access to various resources. Through its Economic Development Revolving Loan Program, the Chamber provides financial assistance to new and expanding businesses, aiming to create jobs and enhance municipal tax revenues. Additionally, ARCC organizes workshops and seminars to help businesses navigate regulatory requirements and improve their operational efficiencies.

In addition to these County-wide and regional organizations, several other partner organizations operate at the local level and contribute to the County's economic growth and vitality, including local Chambers of Commerce, Business Improvement Districts (BIDs), and economic development departments and staff.

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CURRENT ISSUES, OPPORTUNITIES & TRENDS

The information provided in this section builds on data and analysis from local and regional studies, including LCLGRPB's 2022 Forward Together: Economic Resiliency Plan, the 2015 Adirondack Gateway Council Organization "Pathways to Progress" Plan, the 2018 Shared Services and Property Tax Savings Plan, and the County's ongoing Outdoor Recreation Economy Plan. These sources are supplemented with current economic data provided by the NYS Department of Labor.

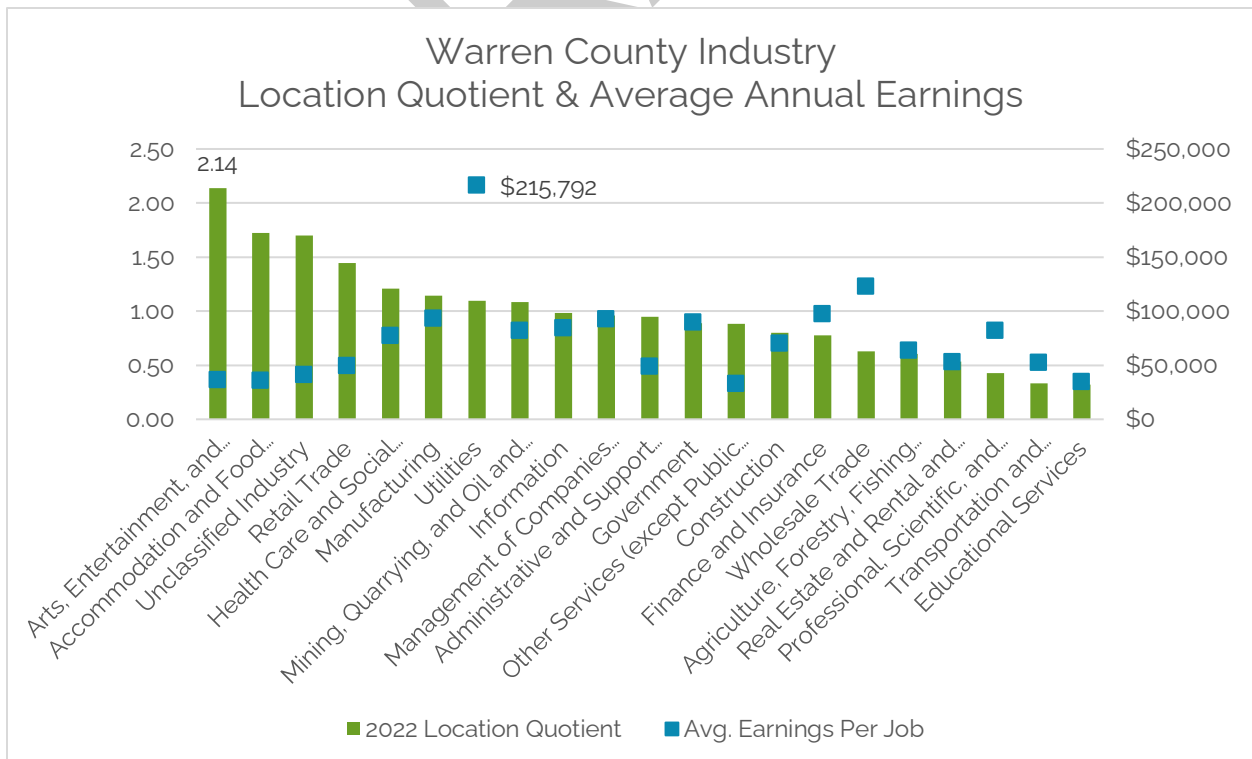
28%
 Percent of survey respondents that said Economic Development should be the County's top priority – the second highest response rate.

Warren County has a strong and growing economy largely made up of small businesses. Warren County is the 28th largest County economy in New York State as of 2022 Bureau of Economic Data.

The County's economy, as measured by Gross Regional Product (GRP), has grown \$777 million in inflation adjusted dollars from 2010 to just over \$5 billion in 2022. Most of Warren County's economy is comprised of smaller businesses; 97% of all Warren County businesses occupy 49 or fewer employees.

Warren County's economy is diverse. Its largest industry – manufacturing – accounted for only 14% of total GRP in 2022, which speaks to a well-diversified economy.

The industries that are the most concentrated in the County are also often low wage industries. Eight industries (Arts, Entertainment, and Recreation through Mining, Quarrying, and Oil and Gas) have a location quotient greater than one, indicating that they are more concentrated in Warren County than nationally. When comparing average annual compensation to Location Quotient, it is clear that several of Warren County's most



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prevalent industries are relatively low wage industries, which has created issues for business operators and the labor force, especially since the pandemic.

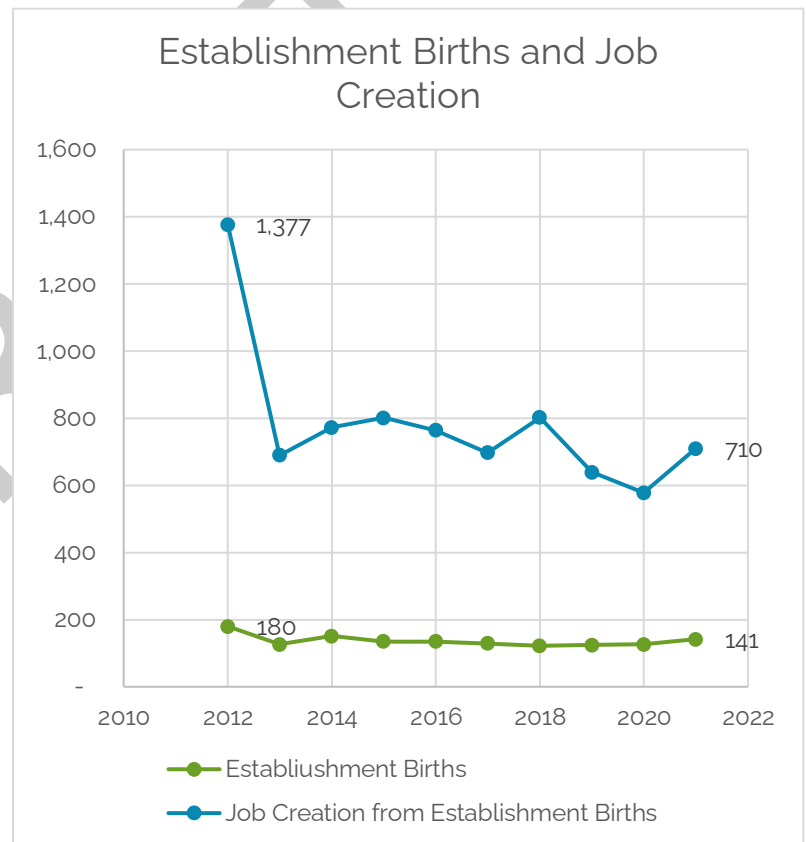
The County is losing manufacturing jobs. Between 2010 and 2022, the manufacturing GRP declined by \$23 million. Manufacturing closures across industries are driving job losses, eroding the County's tax base, and are difficult to reoccupy or redevelop because of the specialization associated with the physical plant. This is especially challenging with high-tech manufacturing industries that provide relatively high wages and have negative secondary business impacts on complementary industries.

Economic development and tourism efforts are duplicative or siloed in some instances.

Overall, the depth and range of active, engaged economic development agencies is a source of strength for Warren County. However, it can also create confusion as to which agency is leading on which initiatives, what the goals and expected outcomes of initiatives are, and confusion among community stakeholders regarding who to turn to with ideas, questions, and challenges.

The spirit of rural entrepreneurship remains strong but is leading to fewer jobs.

The LCLGRP's 2022 Forward Together plan identified the region's "Spirit of Rural Entrepreneurship" as a key competitive asset. While this remains true in Warren County, certain indicators have declined over the past ten years. Warren County business formations, as tracked by Employment Identification Number (EIN) applications reached a fifteen year high in 2021 at 608 applications and saw 585 applications in 2022. However, despite the strong LLC filings, establishment births, which filters for business operations versus holding companies or LLCs formed for other legal reasons, have steadily declined since 2012 and 667 fewer jobs were created from establishment births in 2022 as compared to 2012.



There are opportunities to leverage the commercial use of the County's natural resources. Warren County's natural resources are not just important to its recreation economy and aesthetic character, the County's natural resources provide essential goods and energy, jobs, and revenue. The County's unique Northern Forest industries are an inherent competitive advantage, especially given Warren County forests' relative proximity to mills, distribution networks, and large consumer markets. The County and its timber and

CASE STUDY: LIVINGSTON COUNTY

Livingston County Economic Development (LCED) has brought several economic development functions into one organization to provide a unified approach and streamlined decision making across its portfolio of development activities.

LCED provides many of the traditional services that EDCs and IDAs perform, like business promotion, PILOT agreements, and redevelopment of vacant or underutilized commercial and industrial properties, but their scope and mission extend to:

- Downtown investment, through their "Downtown Partnership," which provides grants, loan programs, and technical assistance funding for downtown revitalization and community development, preservation and enhancement of historic downtown buildings, entrepreneurship development and business recruitment, and integrated marketing of existing businesses and communities
- A "First Impression Program" that provides reimbursement up to 50% for signage, interior and exterior lighting, façade improvements, public art and streetscape enhancements, and digital first impressions.
- Their "Extreme Makeover" program, which provides matching grants to transform commercial and mixed-use buildings
- A "Dream-OP-Vate" business competition, a retail business plan competition that encourages entrepreneurs to compete for funding to assist with opening a new businesses
- A revolving loan fund that offers loans to new or expanding businesses
- The launch of a "Festival and Events Fund" within provides matching grants to promote and market festivals and events
- Cultural initiatives, such as their "Inspiration Trails" (mural walls, sidewalk showcases, and selfie stops sprinkled throughout the County), events, and food and beverage tours.

This creative approach is embodied by its "Grow Liv Co" motto and modern, web focused branding and marketing. The organization seeks to break down walls between economic development functions to create a holistic, community-based model that is guiding Livingston County's economic future.

You can explore more at their website [here](#).

paper companies also have opportunities to further modernize and diversify by developing value-added manufacturing capabilities, such as cross-laminated timber manufacturing. Warren County has opportunities to leverage its water resources it possesses to generate electricity, provide cooling to data centers, and support other water intensive industries. Crushed stone and sand and gravel mined in Warren County are essential inputs to construction projects, such as road building, concrete production, and concrete.

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The County's sales tax rate is one of the lowest in the State. Warren County is one of only three upstate Counties with a 7% sales tax rate – the lowest rates in the State. Most upstate Counties (44) have sales tax rates of 8%; Erie County has a sales tax rate of 8.75% - the highest in the State. Increasing the sales tax rate would leverage the County's considerable tourism, restaurant, and retail industries to generate additional revenues from visitors as compared to property tax increases, which are carried by residents exclusively.

The Outdoor Recreation Economy is a growth industry and key differentiator, but the industry is facing challenges. As detailed in the Warren County Outdoor Recreation Economy Research Report, which is being developed in parallel to Warren County 2040, the outdoor recreation industry is a key economic driver, a differentiating factor to other counties, and a cornerstone of the County's culture and quality of life. There are at least 160 private businesses in Warren County that are directly involved in the sale of outdoor goods, services, and/or experiences. In 2022, tourism spending supported 5,866 direct jobs accounting for one in six jobs in the County. Despite its overall strength, the report notes several issues confronting the outdoor and recreation industry, including the lack of a central hub for information on outdoor recreation, lack of employee housing, poor cell coverage at critical recreational junctures like trail heads, limited lodging, high insurance costs for business operators, and limited public access to water resources.

OTHER FACTORS

Chip fabrication. The continued expansion of Global Foundries in Malta and nano-tech research and development activities in Albany are further establishing the Capital Region as a worldwide leader in cutting edge technologies. These primary industries will need supply chain, supplies, and lead to spin-off companies within tech sectors, which the County can benefit from.

Cannabis legalization. Cannabis was legalized in New York State on March 31, 2021, with the signing of the Marijuana Regulation and Taxation Act (MRTA) by Governor Andrew Cuomo. This legislation allows adults 21 and older to possess, purchase, and consume cannabis, and it established a framework for the regulation and taxation of the cannabis industry. Municipalities have the authority to opt-out of retail and on-site consumption sites within their jurisdiction; six of Warren County's 13 municipalities opted out of dispensaries and on-site consumption. As dispensaries and on-site consumption facilities open in the remaining seven municipalities, the economic impacts will include job creation, tax revenue, and local business growth and investment.

WORKFORCE

THE COUNTY'S ROLE

As with factors influencing the County's industries, the County government plays a direct and indirect role shaping the County's workforce. The County is itself a major employer and through its departmental services and funding allocations play a pivotal role in training workers and matching them to fulfilling positions within Warren County.

Warren County employs 852 employees across all its departments, making it the fifth largest employer in the County. That means the County's hiring, human resources, and

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workforce pipeline policies and initiatives have an outside impact on the overall workforce in the County.

The County also influences workforce development through its funding support of partner organizations. The Department of Workforce Development and One Stop Center is the leading workforce education, training, and workforce coordinating agencies in the County. In addition to federal Workforce Innovation and Opportunity Act (WIOA) funds, the County allocates general funding to the department, which has a large impact on the staffing and programming the department can provide to the community. Departmental programming within Social Services and the Office for the Aging also form part of the workforce development continuum, representing opportunities for connecting the County's residents to education and training pipelines that meet current and future occupational needs.

STAKEHOLDER/PARTNER ORGANIZATIONS

Stakeholder and partner organizations related to workforce development include educational institutions, Chambers of Commerce, and the Saratoga Warren Washington Workforce Development Board.

CURRENT ISSUES, OPPORTUNITIES & TRENDS

Warren County has a positive commuter "netflow." Warren County has a commuter netflow of 5,025, meaning more workers commute into Warren County to work than Warren County residents leave the County to commute elsewhere.

Top 5 Counties for Worker Inflow	Workers	Top 5 Counties for Worker Outflow	Workers
Saratoga County	6,510	Saratoga County	4,693
Washington County	6,208	Washington County	2,296
Essex County	552	Albany County	1,062
Rensselaer County	307	Essex County	489
Albany County	264	Schenectady County	291

As the County's general population has been aging, so has its workforce. The average age of workforce participants has risen from 37 in 2000 to 45 in 2022. The 2022 Forward Together Economic Resiliency Plan found that 23.8% of all workers in the five-County region are over 55; notable key industries with a high number of workers over 55 include medical (hospitals, physician offices, nursing care facilities), manufacturing (medical equipment and pulp/paper mills).

Warren County is grappling with a workforce and employment mismatch. According to the US Bureau of Labor Statistics, the County has a labor force participation rate of around 62% (on par with the national average of 61.5%); however, many local businesses report difficulties in filling positions, in particular jobs that require specific technical skills. For

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instance, in the manufacturing sector, over 20% of job openings remain unfilled due to a shortage of qualified candidates.¹ Consequently, while there are available jobs, the local workforce often lacks the necessary qualifications, leading to both unutilized human potential and unmet employer needs.

Too many existing jobs are not providing a livable wage. In 2021, two of the top three industries in the County by total employment – Retail Trade and Accommodation and Food Services ranked 13th and 16th out of 16 industries in average wages. Average annual wages were \$39,227 and \$28,648, respectively, for those two industries. It has also become increasingly difficult to fill these minimum wage service sector jobs.

J1 Visa workers remain a critical component of Warren County's labor force. J1 Visa workers fill a range of positions, including au pairs, physicians, professors and research scholars, and, most relevant to Warren County's workforce, summer work travel positions typically within the hospitality and tourism sectors. According to BridgeUSA, a company that helps connect foreign workers to host companies and support groups, Warren County will host 952 summer work travel participants in 2024 within ten communities. Lake George is set to host 543 of those workers; Queensbury (174) and Bolton Landing (91) also host a substantial number of workers. This spike in international workers has generally coincided with seasonal housing crunches, which some communities have explored addressing through dorm style housing. It also raises interesting challenges around language accessibility, wayfinding, and other community resources that can aid foreign workers in living and working in Warren County, even for a season.

CASE STUDY: PRE-APPRENTICESHIP PROGRAMS

Franklin County Ohio created a "Building Futures" pre-apprenticeship program to create a workforce pipeline between their high growth construction industry and public benefit recipients.

The 12-week program advances from general job readiness to trade specific training so graduates are well positioned to begin a trade-based apprenticeship. The program has successfully placed over 80% of its graduates in apprenticeships. The success of this program, branched into a similar "Driving Futures," which builds skills around trucking and transportation occupations, another industry with a high number of unfilled positions. Participants in both programs are provided a stipend during the 12-week program to allow the financial flexibility to complete the training.

In NYS, SUNY Ulster has leverage State funding to develop a robust pre-apprenticeship programs across a range of in-demand occupations.

More information about the program can be found [here](#).

¹ <https://www.census.gov/programs-surveys/cbp.html>