

LAKE PLACID AND NORTH ELBA ECONOMIC DIVERSIFICATION REPORT

Cornell Institute for Public Affairs



CONSULTING TEAM

Denny Singh, Francesca Ractliffe, Jinjing Zhang,
Xin Zhou, Xinyi Zhou, Yunyi Zhang

FACULTY ADVISOR

Rebecca Morgenstern Brenner

TEACHER ASSISTANTS

Marc Anthonisen, Julia Godinez





Onasill Bill, Lake Placid and North Elba New York - Downtown Main Street -, CC BY-NC-SA 2.0

Lake Placid and North Elba **ECONOMIC DIVERSIFICATION REPORT**



TABLE OF CONTENTS

Table Of Contents	1
List Of Figures	2
Executive Summary	3
Project Introduction	4
Literature Review	5
Social Enterprise	5
Education	6
Housing	7
Broadband	8
Festivals	9
Recreational Tourism	11
Data Collection And Methodology	12
Case Studies	14
Ballyhoura, Ireland	14
Austin, US	18
Pickens County, South Carolina	21
Donghu, China	24
Recommendations	31
Conclusion	38
Acknowledgment	39
References	40
Appendix A	46



LIST OF FIGURES

Ballyhoura development partner model	17
The 3 Strategic Steps in Donghu	28



EXECUTIVE SUMMARY

This publication is the result of research conducted by the consulting team from the Cornell Institute for Public Affairs (CIPA) between February and May 2021 on successful economic diversification models achieved in communities around the world and as applicable to Lake Placid and North Elba, NY.

The CIPA consulting team was tasked by Lake Placid and North Elba Development Commission (Lori Fitzgerald, Kathleen Thompson, Haley Breen and Dean Dietrich) on researching the diversification of Lake Placid and North Elba's economy. The objective of this project is to share the best practices of successful economic diversification experience in other towns and extrapolate actionable recommendations. By doing this, Lake Placid and North Elba use other towns' strategies for reference in the planning of the town's economic future.

The CIPA Consulting Team sought both primary and secondary data to survey key topics of economic development for Lake Placid and North Elba. The methodology and core of this report is an examination of four case studies of towns or counties that achieved a thriving and diversified economy. We capitalized on the team's international background to highlight diversification examples from Ireland, the United States and China.

The second part of this report contains practical recommendations for Lake Placid and North Elba, which includes unlocking local entrepreneurship, expanding tourism and creating and retaining human capital through apprenticeship programs. The recommendations are organized according to short, mid, and long term approaches, with some recommendations being immediately actionable and others offering more of a strategic direction for Lake Placid and North Elba. In the short term, Lake Placid and North Elba can establish a local development corporation dedicated to helping existing and aspiring local businesses. In the middle-term, expanding on Lake Placid's strongest economic sector, Lake Placid and North Elba can provide creative tourism product mixes such as 'work and leisure holidays', or other tourism related initiatives. Additionally, the report delves into the local food industry in Austin and how Lake Placid can use similar strategies to expand and diversify its economy, and finally, how apprenticeship schemes and vocational training can create and retain human capital in the community.



PROJECT INTRODUCTION

The town of Lake Placid and North Elba is located in the Adirondack region in upstate NY. The town is known for hosting the 1980 Winter Olympics and being a favorite of outdoor enthusiasts. Featuring state-of-the-art sport facilities and breathtaking wilderness, Lake Placid and North Elba has developed thriving and renowned tourism and healthcare services.

In recent years, economic diversification has become a priority in planning for the future of Lake Placid and North Elba, in order to guarantee economic security in the event of other tourism-ending global events such as a pandemic. Additionally, a lack of affordable housing and a decreasing population threatens to harm the local economy.

Economic diversification is the process of shifting an economy from a single income source toward multiple sources from a range of sectors and markets. Traditionally, economic diversification has been applied as a strategy to encourage positive economic growth and development (UNFCCC, n.d.).

Accordingly, the team examined four different case studies of towns and counties who succeeded in both diversifying and developing their economy. The purpose of these case studies is to provide a blueprint for Lake Placid and North Elba's economic strategy.



LITERATURE REVIEW

The following literature review surveys six key topics that are relevant to Lake Placid and North Elba, which are social enterprises, education, housing, broadband, festivals, and recreational tourism, and these topics are common targets in other towns' and counties' economic diversification strategies. Each topic is framed in three parts, including *background*, *challenges*, and *opportunities*. The *background* introduces the topics as well as their role in economic development. Secondly, the *challenges* concentrate on the circumstances of Lake Placid and North Elba as relevant to the topic. Thirdly, *opportunities* introduce the topics' applicability and potential benefits for Lake Placid's and North Elba's local economy.

1. SOCIAL ENTERPRISE

Background

Social enterprises or ventures are initiatives that meet a social need that the existing public and private sectors fail to address. Social enterprise also tends to have the following: sustainability, local focus and local ownership and operation (Borzaga & Defourny, 2001). Some examples of social enterprises are socially responsible businesses or nonprofits. Social enterprises or social ventures enable innovation at the local level as the ventures tend to have specialized knowledge of the challenges faced by the community (Bernadino, Santos & Ribeiro, 2019). Despite being social in nature, social ventures are increasingly being market-led and seeking a state of complete self-financing, making them not only a social good to the community but a net positive to the local economy (Schuman, 2015).

Challenges

Once a social enterprise, or a social enterprise network is established in a community, the organization or network tends to remain in the community over a long period of time. The challenge for social enterprises is their launch and achieving a stage of adequate financing, as their social focus act as parameters on their profitability (for example an environmentally responsible business would have to cover the expenses of proper waste disposal effectively driving operating costs up). Additionally, social enterprises tend to have the following limitations: relying on volunteer hours and volunteer capabilities (each participant can extend and use their own unique set of capabilities) as social enterprises tend to



operate on more limited budgets (Haugh, 2006). The challenges of social enterprises are that given their nature of being focused on bringing social value they demand dedication from their employees with often lower compensation than traditional for-profit ventures. Social enterprises need to be self motivated and greatly depend on the capabilities of the team (Stewart, 2005) since staffing social enterprises is not competitive and relies on local volunteers.

Opportunities

Social enterprises have financial incentives and an objective of growth. Social enterprises, however, conceptualize growth as increased social value rather than firm growth (Hynes, 2009). These days, funding is easier than ever to acquire with countless platforms available for matching social ventures and investors, and social enterprises have the lowest cost of dollars per job created (Schuman 2015). Lake Placid and North Elba already benefit from an existing sector of small businesses from residents, the biggest opportunity lies in creating a platform that aggregates all the information for launching social ventures including funding and resources available.

2. EDUCATION

Background

Education is considered a key element for the development of the economy, with education increasing work productivity, human capital as well as improving economic creativity by offering people access to new knowledge (Hanushek & Woessmann, 2010). Also, educational policies, such as encouraging completion of tertiary education (College, University or vocational degrees), are an important way to alleviate the condition of regional development inequality (Tvaronavičienė, Tarkhanova & Durglishvili, 2018). By promoting educational development, including building schools and cooperating with colleges, it will increase the local workforce to be adapted to evolving job market demands.

Challenges

Maarseveen (2020) suggests that students from urban areas tend to invest more time or energy in education than students in rural areas, as urban students tend to have access to a greater variety of educational resources. Lake Placid and North Elba graduation rates are above statewide graduation rates (98% to 83%) as well as mathematics and reading proficiency. However, in the past decade class sizes have steadily fallen, with a lack of affordable housing being cited as



the primary reason.

Opportunities

Paul Smith's college in Paul Smiths NY, is attributed to increasing the number of mid twenties transplants to the town, who have found the Adirondacks to be an attractive place to live. Therefore, it would seem that expanding and improving educational opportunities attracts enrollment (Lartigue, 2004). Improving the local public school's state and national ranking could attract more second homeowners to permanently relocate to Lake Placid to benefit from the local education system (Couch, Shughart & Williams, 1993). Considering most jobs are increasingly fully remote, moving to Lake Placid would not necessarily be sacrificing job opportunities.

3. HOUSING

Background

Lake Placid and North Elba offering more affordable housing would reverse the trend of population loss. Previous research points out lack of housing causes worker crises, as workers staffing low-laid jobs cannot afford to live in the community they work in (Jacka, 2021). Other research also indicates that improved housing options and more private rentals for younger people will attract and retain young families in the community, since housing along with overall cost of living is usually considered as one of the main draws for workers relocating (Corbett, 2017).

Challenges

On the one hand, the median price of real estate in Lake Placid and North Elba, New York, was \$274,700 in 2018, 1.2 times the national average of \$229,700. Between 2017 and 2018, the median house price increased from US\$211,500 to US\$274,700, an increase of 29.9% (Data USA, n.d.). On the other hand, residents are facing a shortage of housing resources. According to data, the homeownership rate of Lake Placid and North Elba in New York State is 28.8%, which is lower than the national average of 63.9% (Data USA, n.d.).

Furthermore, there is an imbalance between the workforce income and price of assets. A housing study (Izzo, 2020) conducted in Lake Placid and North Elba concludes that the appreciation of property has grown disproportionate to the median income of the towns' workers. The study states that with a target of



50% of the local workforce living within the community, Lake Placid and North Elba need an additional 1,534 “affordable” housing units — the majority, 1,013 units, for those who make less than \$35,150 per year (Izzo, 2020). Further, the study defines an affordable income range as paying less \$879 per month for apartments, and under \$123,000 for a home. Local wage and salary levels are well-below what is needed to afford housing in the community, forcing many to live in surrounding towns and commute to work. Furthermore, the lack of land supply further contributes to the lack of housing, as Lake Placid and North Elba is faced with strict environmental regulations.

Opportunities

Among the many ways to address housing affordability, price control and regulation of the housing market can be an effective solution. Kamal (2015) describes plenty of methods and outcomes of pricing policy in different countries. In the context of Lake Placid and North Elba, price control could also include limitations on short term rentals and AirBnBs. The state of Vermont recently put forth a new bill to the Vermont legislature that aims to create a statewide registry for short-term rentals and requires property owners to live on-site at least 270-days a year. The city of Los Angeles limits AirBnB operators to 120 days of renting per year. Santa Monica, CA, outright prohibits short term rentals in homes where the host is not a resident (to prevent property management companies from monopolizing the housing market. Regardless, Lake Placid and North Elba will have to choose an approach that is best suitable for the community amongst (1) prohibition, (2) laissez-faire, and (3) allowing it with certain restrictions (Miller, 2014).

4. BROADBAND

Background

Broadband is a central tenet for long term growth and economic diversification for any town. It is considered critical infrastructure required for economic expansion by not only towns but countries. Many OECD countries have launched vast efforts to expand their broadband connectivity and speeds in order to attract more business in order to create new jobs (Czernich, 2011). The availability of high speed broadband has become an essential requirement of major industries, businesses and research institutions. It is important to note that investment in broad infrastructure also creates immediate job growth in the form of the infrastructural activity that takes place when the initial investment is made,



this includes equipment, drilling, and ductwork (Qiang, 2010). The network also provides a vast amount of services, diverse multimedia services, high speed internet, and telephony with its variants. This creation of an infrastructure with a multitude of benefits enables a spillover effect that facilitates overall economic growth (Koutroumpis, 2009). Further, it is important to note that economic growth also increases the demand for broadband services in general.

Challenges

The key challenge in broadband investment and creation of critical infrastructure for its services is laying out the wiring in Lake Placid and North Elba. Due to the topographical challenge that Lake Placid and North Elba represent - it's located around mountains, the actual installation of broadband infrastructure will be more time consuming than normal. The high initial costs of creating such infrastructure is also a key budgetary challenge that the development commission might face (Ford & Koutsky, 2005). Currently, due to more seasonal based business in Lake Placid and North Elba, the use of the broadband services in terms of long term subscription, which ensure long term revenues may be lower. Further, the lack of major manufacturing and technology based businesses would reduce the current incentives to create the broadband infrastructure with a lack of financial support from any large businesses.

Opportunities

Lake Placid and North Elba is in a unique position to leverage its hospitality business into a long term economic diversification strategy via the creation of broadband infrastructure. Apart from leveraging current business, it can create partnerships with educational institutions in the vicinity. The availability of fast broadband will also enable Lake Placid and North Elba to diversify by attracting new businesses in industries such as technology, manufacturing, and services. Additionally, broadband infrastructure would also enable Lake Placid and North Elba to further grow its current hospitality business.

5. FESTIVALS

Background

Festivals play an important role in regional development, and have many forms, such as food festivals, music festivals, or theater festivals. Festivals not only have a net positive economic impact on the community by creating jobs, but also cause significant advertising for a town. Festivals cause economic development



through packaging and promoting itself (Gibson, 2013). Then the influx of attendees has a pulling effect on local tourism, by increasing demand for catering, shopping, accommodation, transportation, entertainment and more (Michael, Mitchel & Sharples, 2004). Furthermore, festivals help shape the intangible assets of the town. By highlighting local cultural resources, a distinctive regional image can be created and local visibility can be improved (Young, 2016). In addition, the community can be diversified by holding events since interesting festivals can attract young people and promote local diversification.

Challenges

Gibson (2013) draws on experience and research on music festivals in rural and regional Australia. Lucrative commercial festivals draw in large direct profits, but they do not necessarily contribute most effectively to regional development (Gibson, 2013). On the one hand, festivals offer job creation and visitor expenditure, on the other hand, it must require the excellent management of format, structure, and even music values and ethics. Besides, there are also regions that have recognized the important role of sports. For example, Shandong Province in China once held sports festivals. However, there will be problems like inconsistent planning, repeated development of festival themes, and endless management (Deng & Han, 2014). Therefore, if a place wants to hold the festival well, it needs a whole and complete planning, including the selection and appointment of the venue, theme determination, pre-advertising, and guest confirmation.

Opportunities

Lake Placid and North Elba hosted the Winter Olympics in 1932 and 1980, and the region respects its Olympic heritage. Therefore, the ski resorts and ice skating rinks here can be used as the main venues for sports festivals in winter. In the summer, Lake Placid and North Elba have an incredible golf course, where golf-themed sports festivals can be held in the summer.

At the Art Center on Lake Placid and North Elba, visitors from other areas can watch concerts and the opening of the gallery. In addition, in the nearby art center Upper Jay, this theater can also provide performances and music performances, which can be used as a venue for music festivals. Therefore, if Lake Placid and North Elba can make good use of music and art resources and strengthen the management of form and content, it can be a very good opportunity.



6. RECREATIONAL TOURISM

Background

Recreational tourism is an indispensable component of a highly developed tourism industry. Recreational tourism combines recreational activities, including sightseeing, entertainment, sports, adventures with tourism, overcoming the weaknesses of short stay time, few consumption, and strong dependence of tourism income on scenic spot tickets (Sun, 2014). In other words, it can attract more tourists, extend the duration of a single tour, increase the frequency of repeated tours, and eventually realize economic diversification and development (Qian & Ge, 2021).

Challenges

Several challenges exist when small towns attempt to develop a recreational tourism industry. To begin with, the passenger volume is different among different seasons, and is different between work days and holidays. However, the capacity of infrastructure and the number of tourism products are relatively fixed (Diao, 2006). In addition, diversified and adaptive tourism product design requires abundant time, expenditure and expertise, which small towns are lacking in (Chen, Guo & Xu, 2014). Also, the infrastructure, including convenient transportation, housing, facilities, is rather frail and underdeveloped (Zhang, Zhu & Dong, 2018). Moreover, small towns usually have limited public service and tourism management capacity due to scarce management experience and human resources (Fang, 2013).

Opportunities

Lake Placid and North Elba have both climatic conditions and natural resources to develop recreational tourism. Also, Located near Canada, Lake Placid and North Elba potentially have a vast tourist market to develop its recreational tourism. Lake Placid and North Elba rely on the advantages of rich skiing tourism as the towns' leading industry. However, tourism is faced with problems of seasonal fluctuations, which leads to insufficient demand for services during off-seasons. Blessed with unsurpassed natural resources, Lake Placid and North Elba may take recreational tourism as a breakthrough point to extend the industrial chain, attract more visitors and investors, and further expand the industry.



DATA COLLECTION AND METHODOLOGY

1. RESEARCH QUESTION

This report explores strategies and implementation models other towns across the globe used to diversify their economy. What can the towns of Lake Placid and North Elba learn from these diversification strategies? Are these strategies transferable to Lake Placid?

2. DATA COLLECTION

The main information collected by the group is contextual information about Lake Placid and North Elba from client meetings and open resources. Both the literature review and the four case studies aggregate collected information from governmental reports, academic publications and non-academic development reports.

3. SECONDARY DATA

Case Studies

In order to better understand the challenges and opportunities facing Lake Placid and North Elba, two cities, and two regions with similar characteristics are presented as case studies for comparison. The case studies fall under the following selection criterias:

- Similar demographics to Lake Placid and North Elba (population size, age)
- Similar geographical characteristics (semi-rural, minimal access)
- Similar environmental constraints
- Transitioned from singular sector dependence to two or more streams of income for the region.

Ballyhoura was selected as a suitable case study due its similarities in geographic limitations, population size and transportation access to the region. Austin was a city with an established reputation, although Lake Placid and North Elba may have a different geographical location and parameters to consider. Pickens County has similar areas and population size with Lake Placid and North Elba, and the tourism industry is an important pillar of its economic



development. Lastly, Donghu was selected for its comparable environmental conditions, and existing tourism infrastructure.

Furthermore, China being one of the fastest growing economies, Ireland being a leader in regional rural development, Austin as one of America's leading cities, and Pickens County as a great example of human capital, this report offers Lake Placid and North Elba a global outlook.



CASE STUDIES

1. BALLYHOURA, IRELAND

Background

Ballyhoura County, Ireland is a rural region with densely vegetated hills, forests and bogs. The rural Irish county of Ballyhoura is predominantly a national park with the bogs being protected under conservation laws. The county is sparsely populated with 55,000 persons spread over an area of about 1,440 square kilometers. Also, Essex County, which is the county that Lake Placid is in, has a population of 37,459 in 2019.

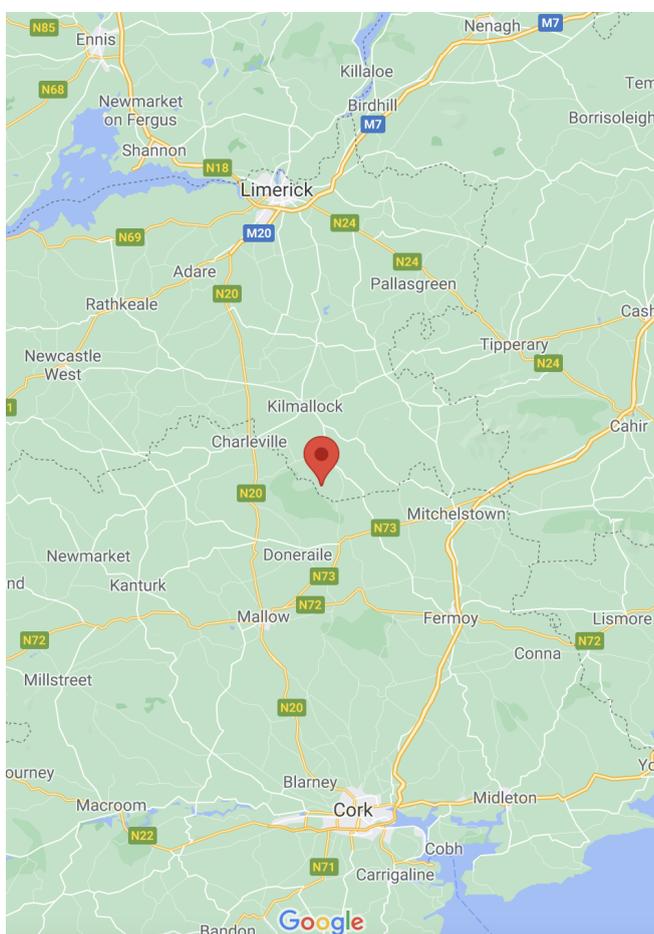


Image 1: Ballyhoura County, Ireland
Google. (n.d.). [Google maps location of the Ballyhoura Mountains]. Retrieved May 14, 2021, from URL:

<https://www.google.com/maps/place/Ballyhoura+Mountains/>

Historically, Ballouhyra County has been predominantly reliant on agricultural and dairy production, with the majority of food coming from mid-size farms, and over 67% of the population being employed in the agricultural sector. In 1995, the region's GDP per capita was 95% below the national average and 87% below



the European average. According to a European Rural Development Report (1998), the principal issue with Ballyhoura's local economy was its dependence on the agricultural sector and hence its lack of economic diversity. The region's economic situation, isolation and lack of broadband access led to a net outflow of younger people leaving behind an aging labor force.



Image 2: The region is a favorite for hiking, mountain biking and outdoor education
Image source: [Ballyhoura tourism website](#)

The lack of economic diversification was recognized as an issue for Ballyhoura County for quite some time. The rurality, poverty and population of the region made that a bottom up, citizen-led approach provided the swiftest solution versus awaiting government-driven development. Beginning in the 1950's Ballyhoura set up small development companies in charge of mobilizing resources to develop economic solutions. Ballyhoura's development program was to bring educational tourism to the region, centered around adult agricultural and wilderness education courses. In the 1950's the region only had one community center, located in a disused middle school building.

Policy Impact of Ballyhoura:

Reports (Walsh, Craig, McCafferty, 1998) note the nuance of calculating the socio-economic impact of development policies in Ballyhoura. However the following statistics speak for themselves:

- A source of supplementary income was provided to 244 families.
- Three new industries based on local sources of comparative advantage and targeted at niche markets were established.

- Ten 'quality partnerships' were established to address particular tasks (e.g. development of cross-country walking routes, provision of mentoring and professional advice to micro level enterprises, as well as co-ordination of niche focused tourism marketing).
- 77 community/co-operative projects were assisted.
- 28 local community plans were prepared.

Ballyhoura's development plan:

The region established a Local Development Corporation (LDC) including a Community Consultative Committee that hosted forums involving community stakeholders and functioned as a mechanism for liaising with local representatives in the Ballyhoura County development commission. The region set up a dedicated group in charge of managing the local and regional development partnerships such as local-national partnerships through the national ministry of education and agriculture. The region's keys to success in the adult education sector as an expansion of tourism, were:

- (a) market-led,
- (b) focused on quality,
- (c) driven-by partnerships,
- (d) locally coordinated.

Of the above four key factors of Ballyhoura's development this report will focus on the region's partnership model.

Key Factor: Partnership-driven model

Ballyhoura's development model was primarily based on social enterprises and empowering the community to launch educational programs. External funding was limited with only in the early 2000s the region receiving some funding from the European Union for rural development. Ballyhoura set up a strategic partnership driven model tying together private and public sectors. A task force was dedicated to managing various grants, such as national education grants from the Irish government. The following figures illustrate Ballyhoura's partnership model:



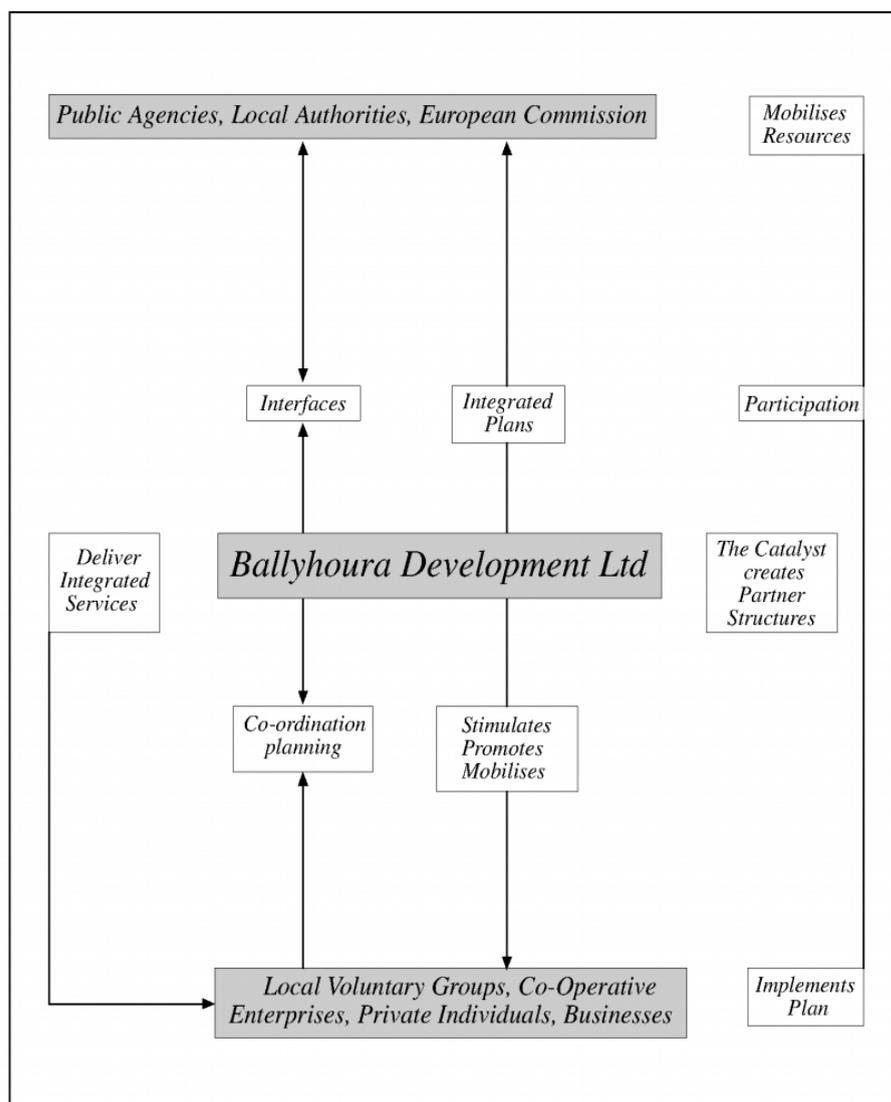


Figure 1: Ballyhoura development partner model

Image source: [OECD report on best local development in European periphery countries](#)

The Ballyhoura Development Ltd is a non-profit organization founded in 1978. It serves as the main point of contact between social enterprises and local governments (*social enterprises or social ventures are business enterprises that seek to achieve a social goal for example a shop of local goods, or a sustainable fashion store*). This setup was found to greatly facilitate the application and implementation of social enterprises as the Ballyhoura Development Ltd gained expertise in fostering partnerships. As a result, operators of the development corporation were able to develop a playbook specifically relevant to the region's challenges with respect to providing guidance and mentorship to social enterprises seeking funding and permits or licenses.

Ballyhoura's Overall Strategy:

Ballyhoura represents a successful example of a grassroots development model (endogenous development) that grew its economy out of supporting “main street” businesses. Community led development is resilient, effective with a cost per job created that is lower than “attract-and-retain” development strategies (attract-and-retain development is centered around creating incentives in the form of subsidies or low taxes for which a company would relocate for). In the past 20 years Ballyhoura has successfully improved the quality of life of the region’s residents primarily as a byproduct of supporting community projects. The region now regularly hosts small concerts, fairs and other cultural events. Ballyhoura has become a spot to visit for Irish tourists looking for a weekend in the countryside. Ballyhoura’s partnership driven model provides a blueprint for towns looking to become more economically resilient in limiting environments (conservation laws, isolation, population size). A local development corporation and a partnership-driven model adapt to the specific needs of the community they serve.

Lake Placid and North Elba already boast numerous small businesses and a robust landscape of entrepreneurs. Growing the local business communities through education and mentoring means helping current stakeholders to participate in this economy. This strengthens a positive cycle of local businesses that hire and spend locally, creating more business opportunities for residents to harness. The creation of a Local Development Corporation (LDC) as a dedicated nonprofit streamlined the seed funding stage for prospective local entrepreneurs. Ballyhoura’s LDC which has grown to having five offices and 31 full-time staff has in itself contributed to the growth of the region. The Ballyhoura LDC team is tasked with developing specific sectors of the economy that the region lacks by providing mentoring, grant-writing, outreach strategies, business plans, and volunteers/workers for the ventures. As such they function as a small-scale but high-impact venture capital arm for the community.

2. AUSTIN, US

Background

Austin’s rise as a technology based economy gave it a strong reputation as a hub of innovation and creativity. As of 2021, Austin’s population is of 978,908 inhabitants (US Census Bureau, 2019). Austin’s food sector (agriculture, food



management, restaurants and distribution) brings in a total \$63.41 million in tax revenue to the city (TXP, 2013). Through targeted policy Austin has been deliberate in supporting local food production through farmers markets and other direct producer-to-consumer platforms in addition to a state managed farm-to-school food supply program.



Image 3: Austin, Texas, United States

Google. (n.d.). [Google maps location of Austin, Texas]. Retrieved from URL:

<https://www.google.com/maps/place/Austin,+TX/@30.3074624,-98.0335911,10z/data=!3m1!4b1!4m5!3m4!1s0x8644b599a0cc032f:0x5d9b464bd469d57a!8m2!3d30.267153!4d-97.7430608>

Key Factors/Stakeholders

Local food movement sometimes dubbed “Locavore” has become a growing trend in the United States, with consumers increasingly being conscious for both health and environmental reasons, of the provenance of the food they consume. The food sector is a sector that is labor intensive and personnel heavy from staffing at restaurants, to stores to the food production on non-industrial farms. In 2011, Austin’s food sector employed slightly less than 100,000 workers. Today Austin leads the nation in regards to local food production and in 2016 was voted amongst the nation’s best cities to open a restaurant in. Lake Placid and North Elba, with their existing thriving restaurant scene and farmers market, could adopt some of Austin’s food policies to further develop their local food industry, through targeted policies.



It is important to note that a key aspect of Austin's success in the food industry programs is its ability to be cost competitive while also focusing on wide spread distribution and scaling its local food industry. Austin has achieved this by providing local food processing to create food products as the value added to their already growing food industry. While Lake Placid already offers Farm to table food programs, its geographic location puts it in direct competition with similar schemes in the rest of upstate New York. Lake Placid and North Elba will be required to focus on a similar strategy to create cost effectiveness and become more competitive while also scaling its local food industry to economically diversify.

Austin also followed the right marketing strategy by promoting local food as part of its efforts to improve the local community and attract visitors. This in turn assisted other industries such as hospitality and entertainment to use the local food as leverage and gain business. The right marketing strategy can play a crucial role in Lake Placid too due to its heavy dependence on the hospitality industry. Marketing local food as a key attraction not only for the current community but also visitors can allow other local industries in North Elba such as hospitality, tourism and sport to attract more people all year round.

Austin's Overall Strategy

While many cities tend to focus on a multifaceted approach to economic diversification, a critical aspect of the implementation process is the timeframe. Austin's ability to not be inclusive of all stakeholders over a long period of time allowed it to diversify successfully.

It started by providing educational institutions support via funding. The Research and Development (R&D) in the University of Texas, Austin was a key aspect of deriving federal support in the form of funding and eventually a jobs program in the form of a military base. The second phase involved focusing on technology based firms and manufacturing. This process with the available technology at the time took more than a decade to put Austin on the map. The overall time for manufacturing companies to set up has reduced considerably over the past decade due to improvements in technology. The final phase was the introduction of the services industry that has put Austin on the global map as a town for international investment (Farley & Glickman, 2007).

A crucial factor in the phased approach by Austin is the development of human



capital over the whole process of economic diversification. The presence of world class educational institutions created the initial availability of human capital that attracted federal and private programs to Austin. This created a domino effect over the past three decades that has attracted human capital from across the globe to Austin. Further, the diversification process was solidified by a focus on creating a good quality of life in Austin in order to retain the human capital. The retaining of the talent has created the long term change required to create sustainable economic diversification.

3. Pickens County, South Carolina

Background

South Carolina counties are classified in Tiers according to their respective unemployment rate and per capita income, with Tier 1 being the most developed and Tier IV being the least developed. The job tax credit given to the businesses is also based on the tier that their county is located in. Tier IV counties receive the highest tax credit per year for each new full- time job created- \$8,000 and Tier I counties receive the lowest for the same- \$1500 (Wyman, 2015). The tax credit system is a key feature of the State Government Fiscal policy to provide incentives to businesses for increased investment and employment. Effectively, hiring new employees presents a tax benefit to the business (SC Commerce, 2019).

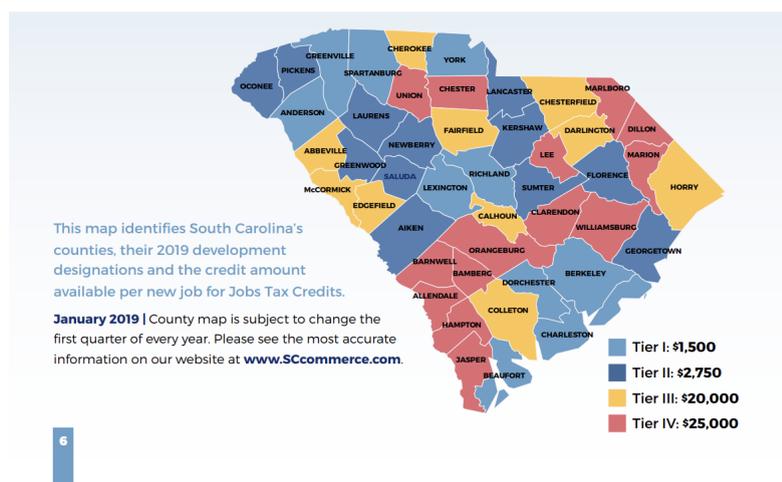


Image 4: Map of South Carolina and its counties according to their respective Tier's, retrieved from https://sccommerce.com/sites/default/files/2019-08/ServiceIncentivesBooklet_Web_070219.pdf



As the businesses continued to grow in these counties, they increased their investment in skills and training. While this led to increased employment in these particular counties and the areas surrounding them, a major part of the state was still ravaged with low employment, increasing poverty, and a consistently decreasing Human Development Index scores. While counties such as Lexington were included in Tier 1 and were receiving increasing investment, conversely, midland counties such as Orangeburg and Calhoun were Tier IV and ravaged with unemployment. There was a clear economic disparity within the midlands of South Carolina.

The aforementioned information highlights a paradox. Although the overall figures indicated increased employment, human development, and decreasing poverty in the state, many counties lagged behind and were increasingly worse off. Furthermore, the state government clearly faces challenges in its approach to economic development. It is clear that economic incentives such as a low 5% corporate income tax alone are not enough to lead to an inclusive and homogeneous economic development of the state (SC Commerce, 2019). The state required a balanced approach to economic development which has a key focus on skill development and not just economic incentives to entice business investment. This balanced approach can be seen with the following example of Pickens County (Tier II).

Pickens County, located in upstate South Carolina, had a low employment perspective in the early 2000's due to the shutting down of cotton mills and textile plants. The county used a similar strategy of economic incentives to entice businesses and received mediocre results. However, a change in their administration of economic policy in the late 2000's led to an extensive increase in employment, wages, and human development. The county introduced vocational certificate programs through career technical education (CTE). School students had access to the Tri-County Technical College and could take college level course credits. This made them ready for the workforce as soon as they graduated high school. The focus was on stem education such as robotics and mechatronics. The program was introduced to the school curriculum from fifth grade and continued till graduation (Larson, 2014). In 2011, the county opened the Pickens County Career and Technical Center where instructors had real life industry experience. The graduates of the program had access to the associate degree programs of the Tri-County Technical college which further provided a base for a four-year degree program at nearby Clemson University (Larson,



2014).

Picken's Overall Strategy

The county's approach was made possible because of the collaboration of economic developers, educational institutions, and employers. The high schools and colleges closely allied with local businesses to prepare their graduates for the workforce. For example, the high schools ensured that students graduated with a certificate recognized by the US office of Safety and Health Administration which saved future employers nearly \$500 worth of training costs (Wyman, 2015). Students who graduated high school had more desirable entry level skills than their competition including college graduates. The business and major firms were quick to recognize the value of these skills and Pickens county became a focal point for investment (Wyman, 2015).

According to current estimates, the local employers can hire twice as many students as are graduating from school. Crucially, the employers in Pickens County are not only hiring workers, but also investing in the further skill development of these workers. At the end of the training, they are promised jobs by the employers with compensation between \$40,000 - \$60,000 a year (Wyman, 2015). This indicates the intricate shift in the approach of the county from economic incentives to skill development. It has reached a point where the employers recognize the value of the skills and are investing in them to create a sustainable change in the workforce of the county. Over time, Pickens has set up a self-perpetuating mechanism of human capital (Barkley, Eades, 2019).



4. DONGHU, CHINA

Background

Donghu is a small town located in Fuzhou, a city in the southeast of China. The town has a total area of 1.2 square miles, of which 0.36 square miles is land and 0.84 square miles is water. As of 2020, the population is around ten thousand, which is relatively densely populated.

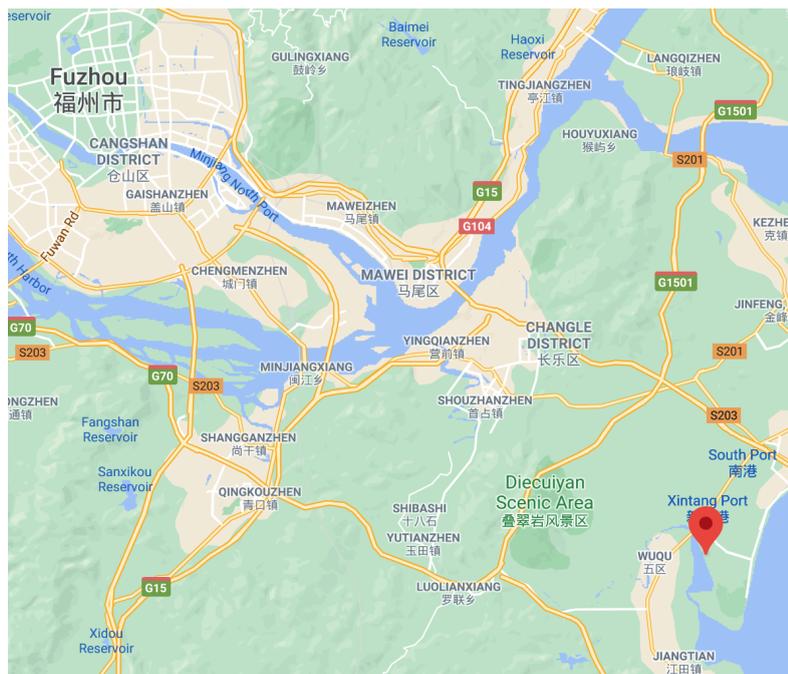


Image 5: Donghu Digital Town, Located in Changle District, Fuzhou, Fujian
Image source: Google Maps

<https://www.google.com/maps/place/Dong+Hu+Lu,+Changle+District,+Fuzhou+Shi,+Fujian+Sheng,+China/>

Donghu Digital Town is a product of digital economic development. In 2010, with the coming of global digitization, related institutions in China called the local government to make plans for information construction of cities which had the potential to be a digital center in the future. Then, Fujian Province governments started to find a good place to do further development. In 2013, after lots of field research, Fujian Province made the final site selection, an area in Donghu Road, Changle District, and planned to develop a technopolis named Donghu Digital Town. Pictured below is the image of the area before construction, and the construction of Donghu was completed in 2016.



Image 6: Donghu town before construction
Image source: <https://www.e-lake.com/plus/list.php?tid=30>

So far, Donghu has attracted many high-tech businesses to build their subsidiaries or research centers, including Microsoft, Tencent and Alibaba. Donghu also hosts industry conferences. Moreover, the city cooperated with Tsinghua University to set up technological research institutes and cultivate talents.



Image 7: Donghu digital town
Image source: <https://www.e-lake.com/plus/list.php?tid=30>

Donghu is an appropriate case for Lake Placid and North Elba to refer to, for the following reasons. Firstly, “hu” means “lake”, so both of them have a lake, which gives them a beautiful natural environment, and this can be an advantage for them to develop tourism. Secondly, under the digital era, both of them need to transform from a traditional town to a town with high technology, and Donghu has undergone technological transformation for some time, which could be a good case to Lake Placid and North Elba for reference. Thus, based on the information above, Donghu might be a good direction for the future development of Lake Placid and North Elba.

Key Factors

Infrastructure and tourism

Donghu has made great efforts to develop transportation, forming a transportation network system of seaport, high-speed rail, aircraft, subway and expressway. At the same time, the town introduced convenient supporting facilities, developed network and broadband, high-quality education, medical services, cultural and sports, commercial service facilities, and built forest parks, nature reserves based on its beautiful natural environment, so as to create a multifunctional town integrating investment, entrepreneurship, research, living, work, leisure, exhibition and tourism together.

Donghu built a smart apartment complex by cooperating with Xiaomi, one of the top internet-based companies in China, and provided people with a modern and intelligent living experience. The room will be centered on the Xiaomi multifunctional gateway, with human sensors, door and window sensors, and wireless switches to form an interconnected home model.

By virtue of the measures above, there have been more than ten thousand young people being attracted to work in this place and settling down. For now, the geographic size of Donghu is smaller but the population is larger than other towns of Fujian Province.

Education

Donghu has signed strategic cooperation agreements with first-class financial and science and technology institutions to carry out in-depth cooperation on the transformation of scientific and technological innovation achievements, talent introduction, and the acceleration of projects. Donghu also cooperates with global technology giants to cultivate innovative talents. Among them, the first



Microsoft Innovation Institute in China, which is invested by Donghu Digital Town, has opened its courses and trained 12100 leading talents in the digital economy for Fuzhou every year. At the same time, Donghu built an innovation and entrepreneurship center to train and develop innovative and entrepreneurial talents through entrepreneurship activities, entrepreneurship consultation and training programs.

Governance

The Fujian Province government formulated industrial policies to support the introduction of leading enterprises, industrial agglomeration, market development and public service platform construction on the macro level, and strengthen the construction of innovative talent teams, and optimize enterprise training and introduction and innovation mechanisms on the micro level.

Donghu is committed to the linkage between industry and the town, and has created an innovation highland of the digital economy industry. It has focused on the development of the healthcare industry, internet industry and marine industry with big data, and promotes the integration development of big data, cloud computing, virtual reality and artificial intelligence.

Donghu's Overall Strategy – Key Stakeholders

In the early 2000, when the trend of China's digital economy began, the government of Fujian Province decided to put forward the deployment of building "Digital Fujian" at the end of 2000, which started Fujian's informatization process. Since then, Fujian Province has continued to promote the construction of "Digital Fujian" from the aspects of e-government, which means making government affairs online and reducing use of document paper and face to face affairs, digital economy and smart society in which internet technology will bring great convenience to citizens' lives in transportation, health care, etc. The promotion from the national aspect became the beginning of Donghu's digital development. After finishing the construction of Donghu, the town utilized its natural and digital resources to host events and offer convenient and pleasant recreational tourism services.

In the development of Donghu town, the government plays an active role in infrastructure building, combining business resources and enhancing the influence and reputation of this town. The whole strategy can be described as follows.





Figure 2: The 3 Strategic Steps in Donghu

Step 1: Beginning from the government

At the beginning, the government made efforts to establish an adequate environment for business and living by making transportation to Donghu more convenient and building infrastructures for company and residence such as electricity, water and other infrastructures for basic living conditions. These efforts create a good business and living environment for Donghu so that the town will be attractive to high tech companies and people working and living there.

Step 2: Government-driven development

After finishing infrastructure construction, the government started the policies of encouraging starting business and attracting investment. The government offered awards to innovations and self-employers and played a complementary role to attract external investment to complete the industrial chains and provide more opportunities of cooperating with big firms for small companies in this town. Because of the location of Donghu and previous infrastructure, high-tech companies like Microsoft, Tencent, Alibaba, etc. will find it convenient to build their business in Fujian Province even in the southeast of China. The governments of Changle District, Fuzhou City and Fujian province attached great importance to the construction of this digital town. They combined many business resources and persuaded many companies which intend to do business elsewhere to be located here. The government also provides favorable

industrial policies for these companies including awards for technological development and tax remission.

As the government document shows, companies satisfying specific conditions including having high market value, scale improvement in given years, patterns application and taking part in online public platforms and online industry construction will receive different amounts of currency rewards, the maximum of which will be CNY 1 million (about 170 thousand USD). There also exist subsidies for companies to apply for their research and development. These subsidies have two main effects. One is to encourage more companies to settle down in this town and the other is to boost development of these companies. After attracting companies and completing the construction of business and living ecology, the town started to pick the fruit of former constructions to form its unique digital events and recreational tourism.

Step 3: Optimizing resource use

Nowadays, there exist more than 1000 leading companies in the digital field. They create more than 50,000 working opportunities for digital talents, contributing to a gross regional product of more than CNY 10 billion. (about 1.6 billion USD) and taxation of more than CNY 1 billion (about 160 million USD). Obviously, these private sectors have started making contributions to the regional economy. The digital ecology established here has been the base for many meetings and forums relevant to digital industries.

What's more, these private companies also combined its latest technology with local communities to form a more convenient, intelligent and modern society. The town cooperates with Xiaomi group to build "smart home apartment" by virtue of its advantages of intelligent manufacturing and internet of things, so as to provide a new young, fashionable and intelligent technology living experience for the residents; in the business field, the town joined hands with Tencent to promote the rapid landing of smart business platform in the town. The feedback from companies also contributes to the sustainable operation of this town. The construction land of Donghu digital towns is planned as 50% for industrial Research & Development (R&D), 20% for hotel exhibitions and 30% for residential supporting facilities. On this basis, the internal and external circulation is built. Internally, the town achieves investment return through property appreciation of the digital economy industrial park; Externally, we should invest



in leading-edge digital economy enterprises to help enterprises grow and share development achievements.

Conclusion

Donghu's development strategy is a government-driven model. Donghu is a man-made town with digital and high-tech features with the cooperation of government and enterprises. The government has made great efforts to offer public goods like transportation, electricity, etc. What's more, the government also plays the role of concerning the needs for residents and workers living in this town and utilizing their own resources to bring more opportunities and remove barriers for a brighter future for the citizens. This model can be implemented in Lake Placid and North Elba as well because the roles of governments in both regions are the same, which should be offering public goods for a better environment of economic diversification and development and caring for the real needs of local people so that the government can offer them some pragmatic opportunities or resources. The government is just like a problem solver and complementary of local people's self-improvement, offering resolutions for some public issues which cannot be easily dealt with by local individuals.



RECOMMENDATIONS

Summary of recommendations

The following recommendations were drawn from the four case studies examined in this report. The recommendations are listed as short, mid and long term diversification strategies.

Short term: Fostering partnerships

Establishing a Local Development Corporation

The partnership model in local development provides guidance in the form of education and resources and funding to local initiatives. Ballyhoura ran a successful Local Development Corporation (LDC) which is a dedicated community development nonprofit. A Community Development Corporation could be an effective way for Lake Placid to supplement their existing business commission and position of Development Director. In addition to Ballyhoura's development nonprofit, the town of Hudson, New York has greatly benefited from its LDC, Hudson First, or yet the town of Saranac, NY, which has also turned to its own Saranac Lake Local Development Corporation (SLLC). LDCs are 501(c) charities that seek to address local development through the promotion of endogenous economic growth. Contrary to government initiatives that center around large infrastructure development, LDCs targeted focus makes them less resource intensive and more capital efficient. Typical LDCs have the following functions:

- Loan programs supporting local businesses.
- Entrepreneurial training on hiring, taxes and pertinent topics such as reopening post-COVID.
- Help acquiring funding for social enterprises or funds directly distributed through the development nonprofit. Or guidance for navigating the fiscal code of small businesses.
- Coordinating volunteers for community volunteer projects such as Park or trail clean-ups. Also providing volunteers for community charitable events.

LDCs vary in their mission focus. Ballyhoura's LDC is education and mentoring focused while Hudson First primarily focuses on emergency task forces dedicated to aiding local businesses to tackle a specific challenge (such as the



impact of COVID on businesses).

Structure of LDCs

LDCs tend to be staffed by local business owners, development professionals and volunteers. Ballyhoura Development Inc. has a partnership with Limerick University and their department of sustainable resource development. Ballyhoura Development Inc. hires graduate development officers and most transitions to a full time position upon graduation. Lake Placid's recent hire of a development Director, could be a potential avenue for staffing a development nonprofit. Development nonprofits also need to hire capable fundraisers, community outreach and education team members.

An LDC is governed by a board composed of local stakeholders, such as residents or business owners, social partners and local representatives. The board is responsible for establishing policies and the strategic direction of the LDC.

(for a comprehensive list of local and nonlocal LDC's turn to Appendix A)

Funding LDCs

Lake Placid and North Elba for economic reasons do not qualify for state support for an LDC. However, the Berkshire and Taconic development Foundation that covers the four bordering counties of Columbia and Dutchess (NY), Litchfield (CT) and Berkshire (MA) funds their entire nonprofit operations through local donors. Berkshire Taconic seeks out local donors and connects them to community funds or directly to project funds. Likewise, Saratoga's development corporation funds their operations through seeking out donations from their business community. Local fundraising, particularly targeting larger local companies, such as hotels and healthcare businesses, would be an effective way for Lake Placid and North Elba to seed their very own LDC. Moving beyond traditional fundraising, some LDCs, such as Bickerdike Redevelopment Corporation in Chicago, run their own local ventures (rental properties, and other for-profit activities) in order to fund their operations.

LDCs fall under the reporting requirements of New York State's Public Authorities Accountability Act. The New York State Authority Budget Office, details the reporting requirements for LDCs in New York State.



Information Access

Growing the entrepreneurial tissue of a community requires lowering unnecessary barriers to entry. From a practical standpoint, this takes the form of making relevant information like tax and legal requirements or administrative procedures easier to access, both to existing and prospective entrepreneurs. A first step towards achieving this would be to create a centralized and digestible online repository of information and resources available. This website could include guides and other educational content targets.

QR codes could be posted around town in businesses and bulletin boards with a direct link to the website. COVID has made QR commonly used for restaurant menus and check-ins, making it a familiar technology. Ads for the website should be published in the Lake Placid News website and in Adirondack Daily Enterprise.

QR codes could be posted around town in businesses and bulletin boards with a direct link to the website. COVID has made QR commonly used for restaurant menus and check-ins, making it a familiar technology. Ads for the website should be published in the Lake Placid News website and in Adirondack Daily Enterprise.

Short-term: Festivals

Donghu capitalized on its strength, such as extensive technological research facilities to further attract tech companies to the town. Similarly, Lake Placid and North Elba should capitalize on their covetable sports facilities to host festivals and forums. Recently, the United States, including the state of New York, has seen an increasing trend in the popularity of music, food and art festivals. Festivals are in many ways the new version of conventions which are less popular among the younger generations.

Sports festivals

Lake Placid and North Elba should actively seek to host more sports festivals or events, which can not only attract more people to the region, but can also create event related jobs. Lake Placid and North Elba should have a dedicated team or person for reaching out to sport associations to host their events in Lake Placid. Accordingly, Lake Placid could provide incentives such as reduced rental prices if the event brings above a certain number of attendees. Lake Placid and North Elba should also improve pre-conference publicity work, by advertising their



hosting venues on their official website, with clear contact information and booking requirements.

Middle-term: Tourism

Donghu strategically used its abundant water resources and unique geographical location to construct a water park of 3,600 acres and a musical fountain plaza of 10,000 square meters. Lake Placid and North Elba having first-rate outdoor areas, should also continually seek to develop new attractions to capture new visitors.

Identify target audience + Combine tourism product

Firstly Lake Placid and North Elba should conduct a comprehensive survey of the primary visitor groups (sport, leisure, or shopping amongst others). To expand sports tourism, Lake Placid could create partnerships between the healthcare and athletic industry to develop dedicated physical therapy programs for recovering athletes. Entrepreneurs also represent a potential market of paid vacation and other work related vacations. To expand Lake Placid and North Elba's artistic offerings the towns could offer stipends for artists residencies which would include responsibilities for the artist to host workshops or art expositions. All these focused tourism options can mitigate the fluctuation of seasonality as visitors would be traveling to the community to attend and partake in specific activities beyond simply seeking to enjoy the outdoors, which can be limited by meteorological and climate related circumstances.

Middle-term: Investing in Local Food

Introduce facilities to assist local farmers

A key aspect of Asutin's rise in the food industry was the cost competitiveness it offered. This does not only include largely the production of food but also that of food related products created locally. The locally created food offers the value added to a local economy to be both cost effective and competitive. Introducing programs or facilities that can enable local farmers to create food products from their own local produce can enable them to scale their business while also providing Lake Placid with a greater business opportunity. In the case of Austin, similar trends were seen with firms such as Sweet Leaf Tea and Tito's Vodka which offer great examples of locally processed products. However, in the case of Lake Placid, it is important that the local government play a key role in acting



as a catalyst to create such programs.

Strategic Local Food Marketing

Aforementioned in the report is Austin's efforts to market its local food which in turn was used as leverage by local industries such as entertainment and hospitality. A similar marketing strategy used by Lake Placid could assist it to not only grow its already thriving hospitality industry but also scale its food industry. This is inline with the previous recommendation of making Lake Placid's local food industry more competitive. An effective marketing strategy can enable both scaling of the food industry while creating more indirect incentives for other local businesses to leverage the locally grown food as a tool to grow their business. Some key strategies include- ensuring farmer's markets are regularly held to allow local farmers to get more facetime with the local community, pursue local grocery stores, promote local produce in separate sections to create more options for customers, and also assist small farmers to market their products by pooling their resources and advertising.

Long term: Broadband and Smart apartments

Smart Apartments

Donghu's focus on creating a technologically advanced town attracted companies and residents to relocate to partake in the growing digital economy. Donghu cooperated with Xiaomi High-Tech Company to create 2,000 "smart-apartments" to provide owners with a brand-new intelligent and connected technological living experience.

Once Lake Placid and North Elba have access to broadband throughout the community, developing smart homes and apartments could allow more residents to relocate to Lake Placid and pursue their careers remotely. In a survey of 1,050 U.S. consumers who are over the age of 18, it showed that 16 percent would be more likely to select an apartment with Google Home, 12 percent with Amazon Echo and 11 percent with Apple's HomePod (Entrata, 2018). With an increasing trend of digital nomads, workers who work remotely while traveling from place to place, equipping Lake Placid with connected apartments would allow for visitors to stay longer than simply the duration of their holidays. Length of Stay (LOS) serves as a benchmark for the vacation rental industry. Data collected from the first half 2021 indicates that travelers are more inclined to choose to stay for longer periods of time because of online



school and local property managers who prioritize internet connection technology for their rentals successfully achieved a 14 percent increase in year-over-year revenue (Hinote, 2021). Therefore, smart homes not only entice travelers, but also are a proven positive growth in the tourism and local service economy.

Recently, a 35-acre housing development project, *The Peaks*, was approved by Lake Placid and North Elba. The development plans to build a mountain village called “The Peaks” with 265 apartments, 90 condominiums dedicated as “mid-level workforce housing”. As part of a long term strategy of bringing technology to Lake Placid, some of the residential apartments could be used as a smart apartment pilot project and marketed to remote workers.

Long-term: Expanding Education Opportunities

Apprenticeship Schemes

The aforementioned recommendations regarding affordable housing and incentives for new businesses are important for the human capital development in Lake Placid and North Elba. It is important to both create and retain human capital for long term economic diversification. Introduction of local apprenticeship schemes are crucial to retain the human capital in Lake Placid that will inevitably contribute to the local economy and the efforts being made to diversify it.

The key stakeholders in apprenticeship schemes would be private sector partners and educational institutions in and nearby Lake Placid and North Elba. As an alternative to (or in addition to) attending college, another way to build a skilled workforce is providing apprenticeship opportunities. Similar schemes have been implemented in states like South Carolina (Pickens County) with the introduction of technical schools. Additionally, the United Kingdom, too, made major educational reforms by introducing apprenticeship schemes across the country to offset students who could not afford or were not able to attend college.

North Elba and Lake Placids’ geographical location gives access to a plethora of local educational institutions. These educational institutions include SUNY, Rochester Institute of Technology, and Cornell University. Leveraging such proximity to institutions can enable Lake Placid to create skill based learning



opportunities for its students that allow them to transition into the workforce and also offer the opportunity to partner with these institutions.

Apprenticeships also allow for specialization in specific sectors according to market demands. This allows for direct access to possible career paths for individuals seeking an apprenticeship. Often the organizers either hire graduates or introduce them to prospective employers. However, irrespective of the end employment stage, it is important to recognize that the graduates of apprenticeship programs gain skills that make them more competitive in the job market. This highlights the importance of these schemes in creating human capital, and furthermore the availability of a trained workforce is correlated with new business development as employers go where the labor is.

Technical Schools

Expanding on the above recommendation of apprenticeship schemes, technical schools in Pickens County led to long term economic development and diversification by providing the workforce that companies sought. The Lake Placid and North Elba development commission would be required to have a direct involvement in the introductions of such schools. The Pickens County development commissions played a crucial role in ensuring that technical schools received the right economic conditions to grow and follow a strong curriculum. Technical schools in Lake Placid would not only enable human capital development, cited earlier in this report, but also prepare the graduates to take full time employment by being trained workers. Businesses save money on training when hiring already trained graduates that require no further education investment on the employers' part. This reduction in price-per-hire affects employers' margins in the long term, making companies consider areas with strong technical school training as an attractive option as opposed to areas without vocational training.



CONCLUSION

This report concludes that Lake Placid is uniquely positioned to leverage its many assets to successfully draw in or draw up new sectors of the economy and diversify away from tourism. Beyond addressing more systematic issues such as limited affordable housing, transportation and lack of broadband, Lake Placid and North Elba can focus on fostering endogenous development, expanding on tourism and increasing educational opportunities. Lake Placid and North Elba's can cooperate with nearby higher education institutions to increase human capital through apprenticeship schemes, or yet focus on supporting local entrepreneurship through a Local Development Corporation, and increase tourism related offerings. Amongst the selection of recommendations the consulting team sincerely hopes this report and its four case studies will be a helpful resource in the future decisions of the Lake Placid and North Elba Development Commission.



ACKNOWLEDGMENT

Lake Placid and North Elba Community Development Commission has served as the Consulting Team's client during the duration of this project. Members from the Lake Placid and North Elba Development Commission have provided the team with abundant information of Lake Placid and North Elba and made us have a more comprehensive view of the circumstances, difficulties and opportunities faced by Lake Placid and North Elba. We would like to acknowledge that this report is the combined effort of many including Lori Fitzgerald, Kathleen Thompson, Haley Breen and Dean Dietrich from Lake Placid and North Elba, as well as Marc Anthonissen and Julia Godinez from Cornell University, and Rebecca Brenner, our academic advisor on this project. We hope that this report will serve as a useful reference for decision making in Lake Placid and North Elba. We highly encourage the distribution of this report to any interested resident of Lake Placid and North Elba. If there are any questions or clarifications on this report, do not hesitate to reach out to the team coordinator, **Francesca Ractliffe** (fer37@cornell.edu).



REFERENCES

Introduction

UNFCCC, UN. (n.d.). Retrieved from
<https://unfccc.int/topics/resilience/resources/economic-diversification>

Literature Review

Social enterprise

Bernardino, S., Santos, J. F., & Ribeiro, J. C. (2019). Social Entrepreneur's Networks and Institutional Environment: Ties That Bind?. *International Journal of Sustainable Entrepreneurship and Corporate Social Responsibility (IJSECSR)*, 4(2), 1-22.

Borzaga, C. & Defourny, J. (2001). *The Emergence of Social Enterprise*, London and New York, Routledge, 1-18.

Haugh, H. (2006) Social Enterprise: Beyond Economic Outcomes and Individual Returns. In: Mair J., Robinson J., Hockerts K. (eds) *Social Entrepreneurship*. Palgrave Macmillan, London.
https://doi.org/10.1057/9780230625655_12.

Hynes, B. (2009). Growing the social enterprise—issues and challenges. *Social Enterprise Journal*, 5(2), 114-125.

Shuman, M. (2015). *The Local Economy Solution: How Innovative, Self financing" pollinator" Enterprises Can Grow Jobs and Prosperity*. Chelsea Green Publishing.

Stewart, F. (2005). Groups and capabilities. *Journal of human development*, 6(2), 185-204.

Education

Couch, J. F., Shughart, W. F., & Williams, A. L. (1993). Private school enrollment and public school performance. *Public Choice*, 76(4), 301-312.



Hanushek, E. A., & Woessmann, L. (2010). Education and economic growth. *Economics of education*, 60-67.

Maarseveen, V. R. (2020). The urban rural-education gap: do cities indeed make us smarter?. *CPB Netherlands Bureau for Economic Policy Analysis*.

Lartigue, D. F. S. C. (2004). *Educational freedom in urban America: Brown v. Board after half a century*. Cato Institute.

Tvaronavičienė, M., Tarkhanova, E., & Durglishvili, N. (2018). Sustainable economic growth and innovative development of educational systems. *Journal of International Studies*, 11(1).

Housing

Corbett, J. (2017). Improvements to housing will attract young workers. *Gazette & Herald (Wiltshire, England)*.

Data USA. (n.d.). Lake Placid, N.Y. Retrieved from <https://datausa.io/profile/geo/lake-placid-ny#economy>

Izzo, E. (2020). Study: Lake Placid and North Elba facing 'workforce housing crisis'. Retrieved from <https://www.adirondackdailyenterprise.com/news/local-news/2020/01/study-lake-placid-facing-workforce-housing-crisis/>.

Jacka, M. (2021). Housing crisis causing worker crisis: Business Chamber. The Area News. Retrieved from <https://www.arenanews.com.au/story/7189321/housing-crisis-causing-worker-crisis-business-chamber/>.

Jefferson-Jones, J. (2014). Airbnb and the housing segment of the modern sharing economy: Are short-term rental restrictions an unconstitutional taking. *Hastings Constitutional Law Quarterly*, 42(3), 557–575.

Kamal, E. M., Hassan, H., Osmadi, A., & Fatah, H. A. (2015). Housing price control: is it a way forward?. *WIT Transactions on The Built Environment*, (168), 1225-1235.



Miller, S. R. (2014). Transferable sharing rights: A theoretical model for regulating Airbnb and the short-term rental market. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2514178

Broadband

Czernich, N., Falck, O., Kretschmer, T., & Woessmann, L. (2011). Broadband infrastructure and economic growth. *The Economic Journal*, 121(552), 505-532.

Ford, G. S., & Koutsky, T. M. (2005). Broadband and economic development: A municipal case study from Florida. In *Review of Urban & Regional Development Studies: Journal of the Applied Regional Science Conference*, 17(3), 216-229.

Koutroumpis, P. (2009). The economic impact of broadband on growth: A simultaneous approach. *Telecommunications policy*, 33(9), 471-485.

Qiang, C. Z. W. (2010). Broadband infrastructure investment in stimulus packages: Relevance for developing countries. *info*, 12(2), 41-56.

Festivals

Gibson, C. (2013). Music festivals and regional development policy: Towards a festival ecology. *Perfect Beat; London*, 14(2), 140–157.

Michael, H. C., Mitchell, R., & Sharples, L. (2004). Consuming places: the role of food, wine and tourism in regional development. In *Food Tourism Around The World*, 37–71. London, England: Routledge.

Young, G. (2016). *Reshaping planning with culture*. Routledge.

Recreational Tourism

Fang, X. (2013). Research on the development of leisure tourism beautiful countryside (Master's thesis, Fujian agriculture and Forestry University). Retrieved from:



<https://kns.cnki.net/KCMS/detail/detail.aspx?dbname=CMFD201401&filename=1014139353.nh>

Sun, Z. (2014). A preliminary study on the strategy of integrated and updated design of leisure tourism rural areas (Master's degree thesis, Chongqing University). Retrieved from:
<https://kns.cnki.net/KCMS/detail/detail.aspx?dbname=CMFD201501&filename=1014043455.nh>

Chen, Y., Guo, J., & Xu, H. (2014). Leisure tourism: research status, differences and connotation analysis at home and abroad. *Geography and Geographic Information Science*, (06), 94-98.
doi:CNK:SUN:DLGT.0.2014-06-019.

Diao, Z. (2006). The rise, development and construction of rural leisure tourism in China. *Rural economy in China*, (11), 63-67
doi:CNKI:SUN:ZNJJ.0.2006-11-010.

Qian, W., Ge, Y., & Ge, Y (2021).The implementation of leisure tourism enterprise management system based on deep learning. *International Journal of System Assurance Engineering and Management (prepublish)*,. doi:10.1007/S13198-021-01103-0.

Zhang, S., Zhu, B. F., & Dong, X. (2018). Research on the development of skiing leisure tourism in China. *Sports Culture Guide* (09), 65-69 + 89 doi:CNKI :SUN:TYWS.0.2018-09-014.

Case studies

Ballyhoura, Ireland

European Commission. (1998). Best Practices in Local Development. Ireland.

OECD. (1996a). Ireland: Local Partnerships and Social Innovation. OECD. Paris.

Walsh, J. J., Craig, S. & McCafferty, D. (1998). Local Partnerships for Social Inclusion. Oak Tree Press. Dublin.

Austin Texas:



Farley & Glickman. (1986). R & D as an Economic Development Strategy: The Microelectronics and Computer Technology Corporation Comes to Austin, Texas, *Journal of the American Planning Association*, 52:4, 407-418

Gibson, Kozmetsky, Smilar (2007). Creating the technopolis: High-technology development in Austin, Texas, *Journal of Business Venturing*, Volume 4, Issue 1, 1989, Pages 49-67

Grodach (2012). Before and after the Creative City: The Politics of Urban Cultural Policy in Austin, Texas, *Journal of Urban Affairs*, 34:1, 81-97

TXP (2013). The Economic Impact of Austin's Food Sector, Retrieved from https://www.austintexas.gov/sites/default/files/files/Redevelopment/Economic_Development/TXP_Austin_Food_Sector_Report_03282013_FINALv1.pdf

Pickens County, SC

Barkley, Eades (2009): Education Bonus Programs: An Overview of State and Local Incentives' Programs to Encourage Greater Educational Attainment

Larson, K.N. (2014): Updating Career and Technical Education for the 21st Century

South Carolina Department of Commerce (2019). Service Incentives. https://sccommerce.com/sites/default/files/2019-08/ServiceIncentivesBooklet_Web_070219.pdf

Wyman, N. (2015): Job U: How to Find Wealth and Success by Developing the Skills Companies Actually Need.

Recommendation

Long term

Entrata. (2018). Study: Apartment Renters Prefer Smart Home Amenities Over Pools. <https://www.entrata.com/company/press-room/article/253>.



Hinote, A. (2021). Technology in 2021 and Beyond: Vacation Rental Tech Leaders Predict the Future.
<https://vrmintel.com/technology-in-2021-and-beyond-vacation-rental-tech-leaders-predict-the-future/>

U.S. Government Accountability Office. (2012). Housing Choice Vouchers: Options Exist to Increase Program Efficiencies. Retrieved from <https://www.gao.gov/products/gao-12-300>.



Appendix A

New York State LDCs

[Columbia Economic Development Corporation](#), Columbia County, NY

[Bedford Stuyvesant Restoration Corporation](#), Brooklyn, NY

[Berkshire and Taconic Community Foundation](#), Berkshire region (NY,CT,MA)

[Hudson First](#), Hudson, NY

[Saranac Lake Local Development](#), Saranac Lake, NY

[Saratoga Development Corporation](#), Saratoga, NY

[Watertown LDC](#), Watertown, NY

[Warren County LDC](#), Warren County, NY

[Tompkins County Development Corporation](#), Tompkins County, NY

Non-Local LDCs

[Austin Economic Development Corporation](#), Austin, TX

[Ballyhoura Development Inc](#), Ballyhoura, Ireland

[Community Development of South Berkshires](#), Great Barrington, MA

[Sunshine State Economic Development Corporation](#), Clearwater, FL

