

SHEPSTONE MANAGEMENT COMPANY

Selected Economic Development & Strategic Planning Projects

SULLIVAN COUNTY ECONOMIC DEVELOPMENT STRATEGY



Shepstone Management Company assisted Sullivan County, New York in creating an Economic Development Strategy. Working with the County Division of Planning and Community Development, the firm led a 6-month process of working with economic development leaders, researching solutions and drafting plans to guide the Sullivan County Legislature in devising tools for promoting economic development. Two "Rebuilding Sullivan County" reports - one encompassing a comprehensive set of recommendations and the other describing "Key Initiatives" were prepared.

The "Key Initiatives" report was used by the Governor to award an unprecedented grant of \$2,000,000 in unrestricted funds for recommended projects. The Legislature also immediately engaged in implementing the larger Plan. It included several innovative suggestions for marketing, tax incentives and revitalization of the County's tourism industry, working from natural assets such as the growing popularity of the County for eagle-watching.

CATSKILL WATERSHED CORPORATION ECONOMIC STRATEGY

Shepstone Management Company was one of a team of consultants employed by the Catskill Watershed Corporation to craft an economic strategy for the five counties in the West of Hudson portion of the New York City water supply system watershed. The challenge was finding ways to achieve real economic development while living under the stringent water quality standards imposed by the City, State and Environmental Protection Agency. The focus was largely upon enhancing a "working landscape" built around regional agricultural, forestry and tourism industries.

Shepstone Management Company was the project leader for agricultural and forestry matters and was heavily involved in all aspects of the project. Among the many issues addressed were creation of a regional branding program, financing of new agricultural economic development initiatives and setting up funding mechanisms to make the most effective use of \$60,000,000 in City funds being dedicated to the region for economic development.



JUNIATA RIVER VALLEY REGIONAL TOURISM PLAN

Juniata and Mifflin Counties hired Shepstone Management Company to assemble a Regional Tourism Plan. This Plan sets out a tourism vision for the Juniata River Valley region - "Tourism development and promotion will be focused on heritage and natural resources based tourism, preserving the quality of life for residents and continuously improving the quality of experience for visitors." It also documents the contributions of this \$60,000,000/year industry and identifies growth opportunities. It targets urban markets of 46,000,000 persons within 4 hours and sets out an advertising plan to reach those markets. Recommendations for organizing the new Juniata River Valley Visitors Bureau are also part of the Tourism Plan. Still other recommendations include:

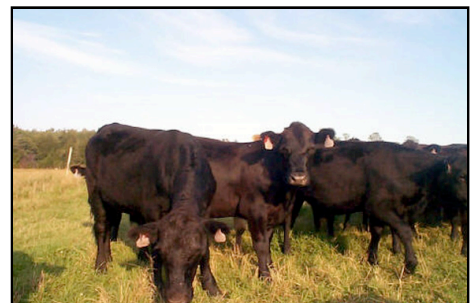


Common Ground Magazine,
R. Dunmire, P. Brumbaugh

- 1) Completion of an interactive web-based recreation map linked to a reservation system.
- 2) A marketing campaign - "The Juniata River Valley ...Discover Our Good Nature" - to sell the region's natural assets and relaxing atmosphere.
- 3) A website development assistance program for members.
- 4) A Travel Packaging Program linked to ExperiencePA.com.
- 5) Creation of a Travel Media Information Program.

HUDSON VALLEY MEAT PROCESSING FACILITY FEASIBILITY STUDY

A group of livestock producers and others with interests in the meat industry hired Shepstone Management Company to help them assess the feasibility of a new meat processing facility for the Hudson Valley region of New York. The study was designed to assist the group in defining goals, evaluating options and identifying appropriate action. Included were guidelines for starting a meat business, a definition of the meat markets available and inventory of livestock potentially available to process. Capacities of existing and proposed processing and slaughtering operations within the region were studied. Facility requirements were developed. Alternative solutions, including mobile units, were investigated. Costs were determined and cash flow analyses prepared to assess rates of return. Financial requirements and possible sources of capital were detailed, along with marketing recommendations. The study concluded a regional meat processing facility was feasible and included a general business plan. Interim solutions were also suggested. The Hudson Valley Livestock Marketing Task Force is now engaged in formally organizing producers, many of whom are engaged in producing natural meats, to pursue these plans.



SNOW HILL BRANCH LINE



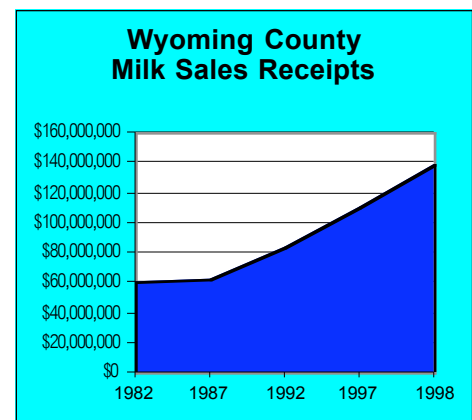
Consolidated Rail Corporation announced plans, in the early 1980's, to abandon a line of railroad running from the State of Delaware to Snow Hill, Maryland. This rail service, however, was critical for bringing in feedstuffs to support the Eastern Shore poultry industry. It was also very important to a large printing manufacturer at the end of the line. Moore Business Forms, the printer, and three of the poultry processors, Purdue Farms (headquartered on the

Eastern Shore), Showell Poultry and Holly Farms banded together to acquire it and preserve service. Shepstone Management Company was hired to help organize the Snow Hill Shippers Association, Inc. and negotiate a purchase of the line from Conrail. A contract with a regional rail service provider, the Maryland and Delaware Railroad, was arranged. Financing was secured through the State of Maryland and Worcester County to acquire the line. Setting up this shortline operation required extensive documentation of value to secure a fair purchase price. Freight rate divisions also had to be negotiated. Shepstone Management Company managed these tasks for the Association, helped secure specialized legal services and developed a cost-sharing formula for supporting the operation. The line has proved invaluable to the poultry industry whenever drought conditions force it to import large quantities of corn.

WYOMING COUNTY ECONOMIC DEVELOPMENT STRATEGY

Shepstone Management Company assisted Thomas Point Associates in developing a comprehensive Economic Development Strategy for Wyoming County, providing the agricultural expertise on the planning team. Wyoming County is one of the largest dairy producers in the nation and led New York State in milk production in 1997. It has some of the largest and most modern farms in the East and is also a major corn silage producer.

Shepstone Management Company conducted focus group sessions with local agricultural leaders to identify issues and performed a detailed analysis of the farm economy, offering several major recommendations for enhancing local agricultural industry and continuing Wyoming County's role as the Northeast's high-tech dairy capitol. A separate but related study for the Town of Perry regarding the feasibility of pursuing additional dairy processors for the area was conducted in conjunction with The Saratoga Associates. Information from these two studies was subsequently shared with readers of the DairyBusiness magazine (Northeast Edition) in a three-part series entitled "Dairy Hot Spots."



WEST PIEDMONT PLANNING DISTRICT ECONOMIC STRATEGY

The West Piedmont Planning District Commission retained Thomas Point Associates to prepare an economic adjustment strategy for region (Franklin County, Henry County, Patrick County, Pittsylvania County, Danville City and Martinsville City). Shepstone



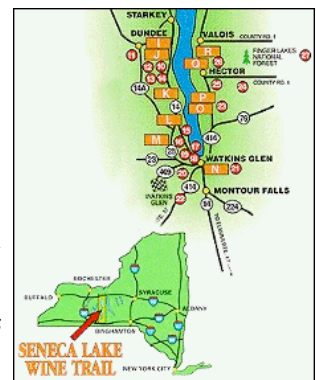
Management Company assisted in addressing agricultural economic development and economic dislocation in the industry as a result of the Tobacco Settlement. Analysis indicated that agricultural sales in the Planning District were up significantly over a decade earlier. Although the tobacco industry had undergone tremendous changes, there was still potential for both tobacco and dairy on larger more-efficient farms able to compete in the marketplace.

It was, nonetheless, clear that smaller tobacco farmers would have to diversify, change crops or find other employment.

Shepstone Management Company identified several grants and loan needed to spur the development of transgenic tobacco and provide capital for alternative and added-value agricultural ventures as well as on-farm diversification into agricultural tourism, nurseries and greenhouses, contract poultry operations, wineries and similar ventures. Education and technical assistance needs regarding farm specialization, strategic alliance opportunities, low-cost input options and more cost-effective methods of producing, marketing and purchasing products were also pinpointed. Finally, the study recommended establishment of another shipping point market in the Central Virginia/Piedmont region to help market new products.

SCHUYLER COUNTY AGRICULTURAL & FARMLAND PROTECTION PLAN

Schuyler County is located in New York's Finger Lakes region. It hired Shepstone Management Company to develop an Agriculture and Farmland Protection Plan. An analysis of the value of agriculture to the County economy formed the foundation. It was followed by inventory of resources and drafting of measurable goals. An extensive survey of producers and suppliers was made. Major recommendations included added-value initiatives to complement the Seneca Lake Wine Trail, a Purchase of Development Rights program and an agricultural education initiative. The County is steadily implementing the Plan. The Industrial Development Authority has approved an Agricultural Industry Tax Abatement Program to stimulate development and expansion of agricultural support businesses. Wineries, dairy farmers and economic developers are investigating the feasibility of cheese processing. Similar plans have been prepared for several other counties. The firm has also, together with Saratoga Associates, consulted with the New York State Department of Agriculture and Markets on farmland protection issues.



SULLIVAN-WAWARSING REAP ZONE STRATEGY



Shepstone Management Company and Fairweather Consulting created a strategic plan for the second USDA Rural Economic Area Partnership (REAP) Zone established in the United States. The Sullivan-Wawarsing REAP Zone encompasses all of Sullivan County and a portion of Ulster, New York. The strategy established a framework to secure thousands of dollars of grants funding for communities in the REAP Zone. More importantly, it established a organizational structure for the new entity, one founded on a comprehensive set of prioritized goals and objectives, combined with detailed layouts of implementation tasks and timelines. These were assembled through a series of committee meetings and regional workshops with the leadership of affected communities. Shepstone Management Company and Fairweather Consulting were successful in putting this comprehensive strategy together over a three month period to meet legislative and funding deadlines. The REAP Zone has funded numerous economic development and planning projects since its creation and provided a basis for regional cooperation on a variety of economic development issues.

NEW YORK STATE DEPARTMENT OF AGRICULTURE & MARKETS

The New York State Governor's Interagency Task Force on Quality Communities recommended that a study be conducted to identify ways of protecting farmland, particularly in those areas not yet experiencing high development pressure. The Saratoga Associates, represented on this project by Peter Fairweather, Shepstone Management Company and Gerald J. Skoda, conducted a study to help the Department of Agriculture and Markets develop an in-depth understanding of the dynamics of farmland loss in these areas. The main thrust of the work was to develop policy recommendations for farmland protection in areas of New York State not yet experiencing high development pressure. The analysis examined statewide trends in farmland loss. Given the diversity of New York's agricultural economy, the study also included an in-depth examination of four counties representing the full variety of New York State's farm economy. These included Genesee County in the Western New York/Finger Lakes Region, Jefferson County in the North Country/Tug Hill area, Steuben County in the Southern Tier and Washington County in the Upper Hudson River Valley. The research combined data analysis with on-site interviews to inform and validate trends uncovered by the analysis. Causes of farmland loss were identified and several policy recommendations of a strategic planning nature for the purpose of address farmland loss in these areas were offered for consideration by the Department.

