



The Broome County Plan for Sustainable Economic Development

Status Report

Presented by:



March 2002



Outline

- Project overview
- Process of selecting target industries
- Cluster analysis results
- Sample target industries
- BC infrastructure
- Other target industry factors
 - Economic conditions
 - Incentives
- Community vision



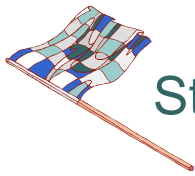
Project overview

What are we developing?

A new initiative that will engage the entire community in expanding business opportunities within Broome County

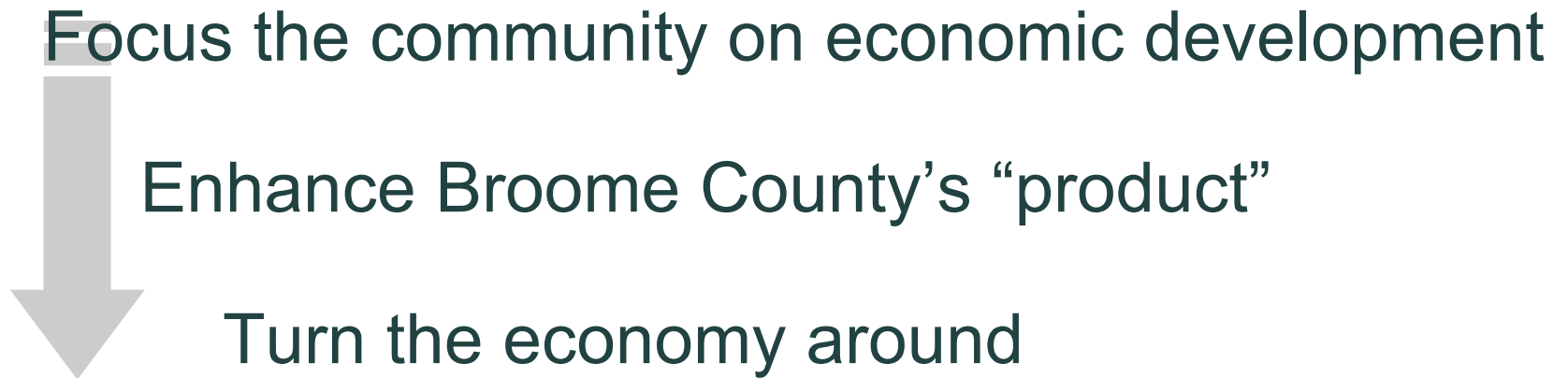
● ● ● | Project overview

The BC Plan

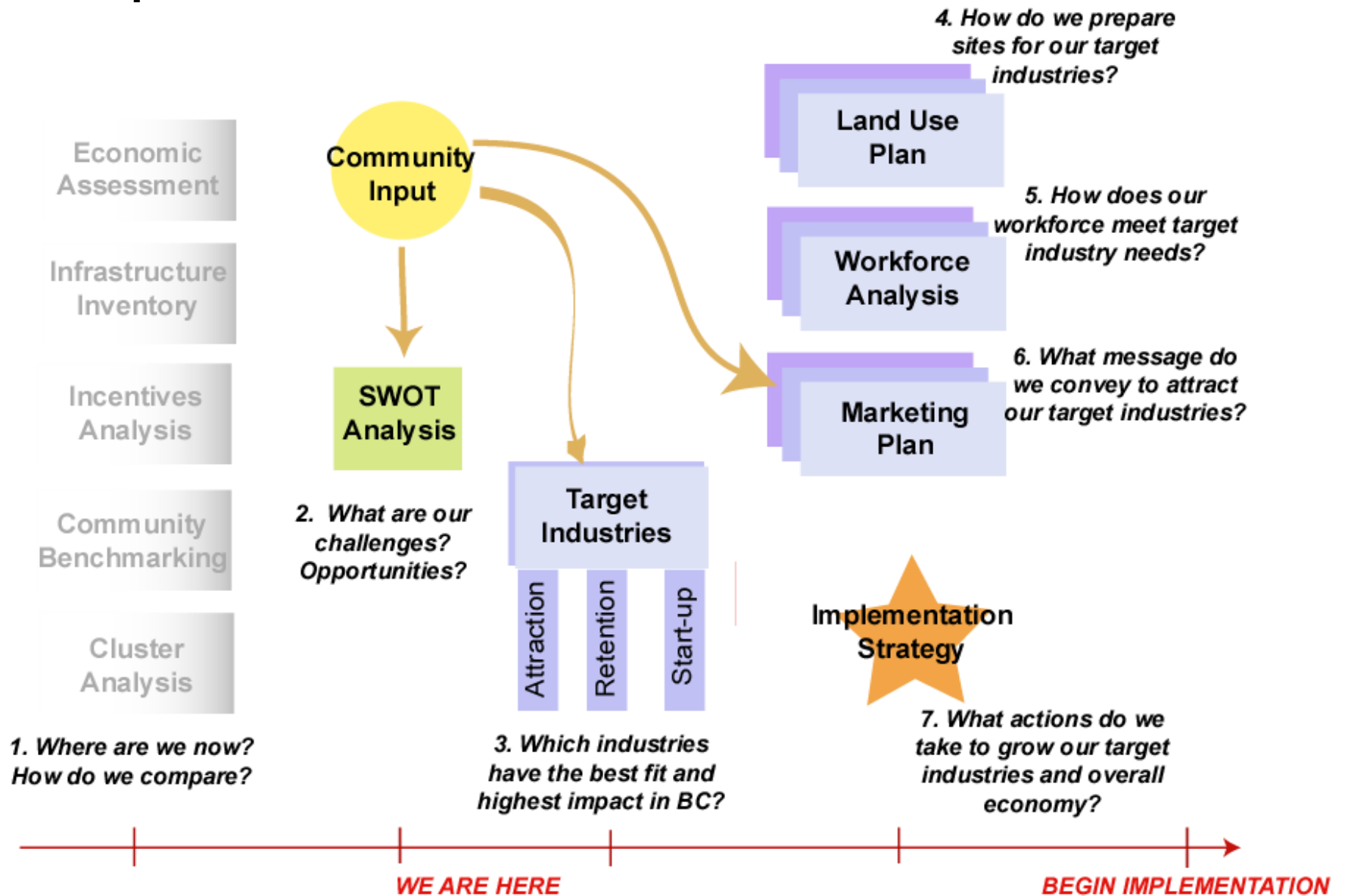


Starting point for a new economic development effort

What?

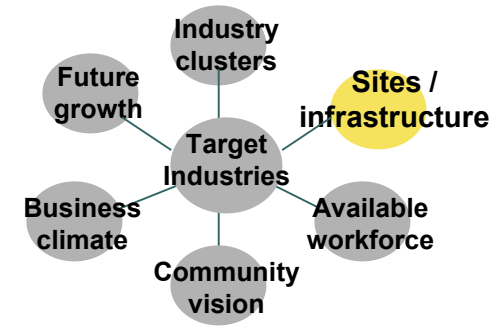


Project flowchart





Broome County infrastructure

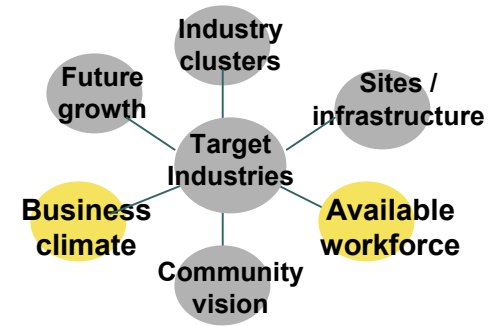


Summary of report results.

Consideration	Impact
<u>Power</u> capacity and reliability is good but price is above average	BC has higher operating costs for large power consumers
<u>Water</u> capacity is high regionally but will require hook up to some sites	BC can support large water consumers
<u>Wastewater</u> capacity is poor, current facilities over-utilized	BC cannot easily support new industry that uses water in its production process
<u>Roadway</u> and <u>rail infrastructure</u> is good	Good connections for companies distributing products within a 1-day drive
<u>Airport infrastructure</u> is adequate, but air service is poor (infrequent and costly)	Difficult location for companies with traveling employees or air cargo shipments

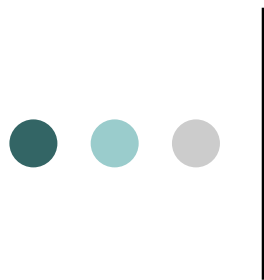


Broome County economic conditions

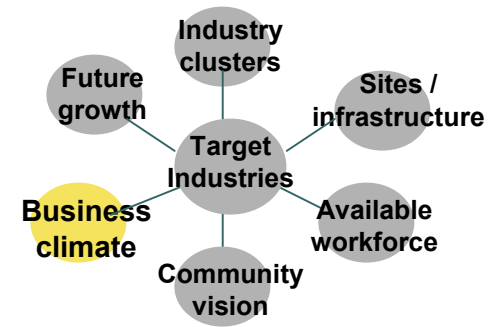


Summary of report results.

Consideration	Impact
BC's <u>population</u> is steadily decreasing	Recruit businesses hiring young talent from BU and BCC; Improve quality of life aspects attractive to young workers
Rising <u>per capita incomes</u> but lagging US <u>wage growth</u>	Recruit businesses paying above average wages, shift from low-wage mfg.
Outstanding local <u>education</u> system	Promote BU and BCC, recruit companies requiring entry-level skilled workers
Above average level of <u>manufacturing employment</u>	Transition to value-added businesses that compliment traditional mfg. sector
History of <u>entrepreneurial success</u>	Learn from experienced entrepreneurs how to spark new startup activity



Broome County incentives

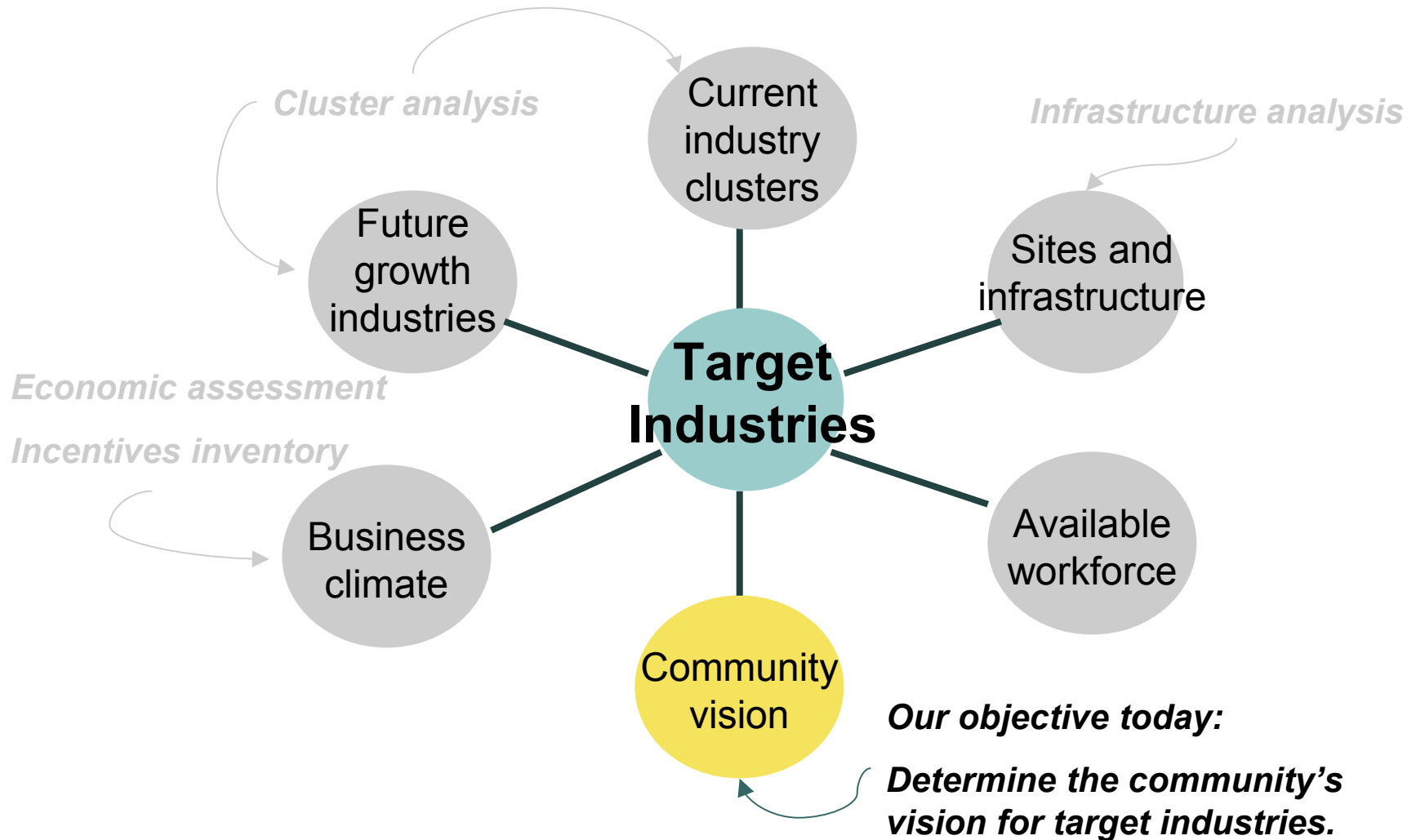


Summary of report results.

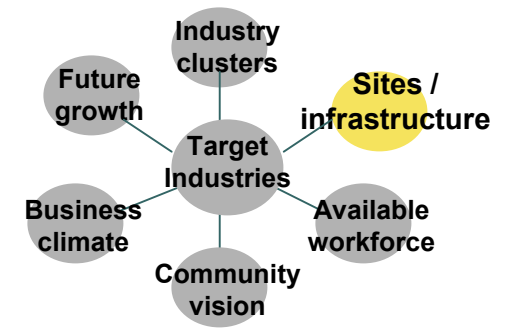
Consideration	Impact
BC has access to <u>highly competitive state and local incentives</u>	Strong incentives help BC override other e.d. issues (short term)
<u>Limited marketing</u> of strong incentives package	Promote state and local incentives in e.d. marketing
Lack of <u>targeted incentives</u> packages	Pick and choose from all available incentives to “tailor” packages for each target industry
Incentives tend to center on <u>jobs not capital investment</u>	Lobby for capital investment-tied incentives to compete nationwide
Lacking incentives for <u>value-added activities</u>	Adopt practices from other regions encouraging entrepreneurial and R&D activities



Process of selecting target industries



Process of selecting target industries



Site selectors' wish list:

Communities with low operating costs

- Labor
- Transportation
- Taxes
- Utilities

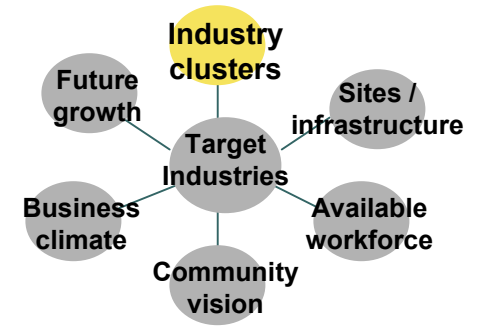
Sites that reduce up-front costs

- Land cost and prep work
- Connection and permitting fees
- Environmental remediation

Sites that reduce risks

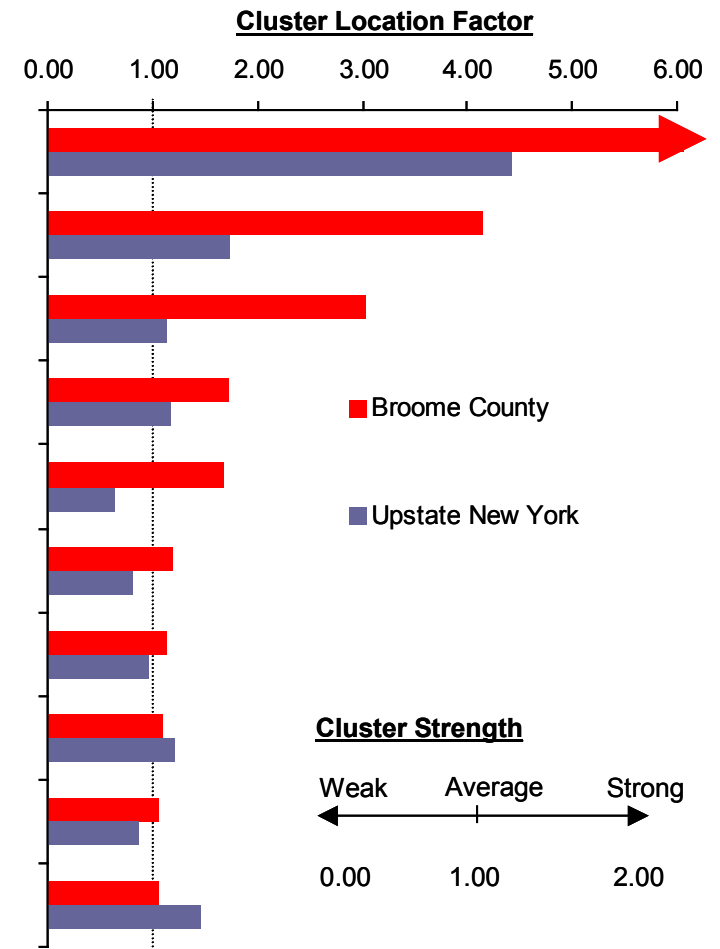
- Reliable utilities
- Free from environmental issues
- Supportive political climate
- Efficient delivery of goods / services

Cluster analysis results



Cluster Distribution – STRONG Broome County & Upstate New York

<u>Cluster</u>	<u>Broome County</u>	<u>Upstate New York</u>
Computer Equipment	16.17	4.43
Electronics	4.14	1.74
Utilities	3.03	1.14
Health Services	1.72	1.17
Aerospace & Defense	1.69	0.65
Mass Media	1.19	0.81
Eat/Drink	1.13	0.97
Higher Ed. & Research	1.09	1.21
Food Processing	1.06	0.88
Government	1.06	1.45



Source: AngelouEconomics; Dun & Bradstreet



Shift share analysis

Broome County Clusters Shift-Share, 1997-2002					
		ASSET	PROSPECT	CHALLENGE	LIMITATION
1	Agriculture		X		
2	Natural Resources			X	
3	Housing & Construction	X			
4	Food Processing			X	
5	Apparel & Textiles				X
6	Material Supplies				X
7	Industrial Supplies			X	
8	Chemicals & Plastics			X	
9	Industrial Machinery				X
10	Transportation Equipment				X
11	Consumer Goods			X	
12	Aerospace & Defense			X	
13	Biotechnology		X		
14	Electronics				X
15	Computer Equipment		X		
16	Communication Equipment				X
17	Semiconductors	X			
18	Logistics & Distribution			X	
19	Transportation Svcs.		X		
20	Utilities			X	
21	Wholesale				X
22	Retail				X
23	Eat/Drink			X	
24	Hotels & Entertainment	X			
25	General Services				X
26	Bus. & Professional Svcs.		X		
27	Financial Services				X
28	Health Services			X	
29	Mass Media				X
30	Communication Svcs.	X			
31	Software & IT Svcs.	X			
32	Higher Ed. & Research				X
33	Civic Enterprises		X		
34	Government	X			

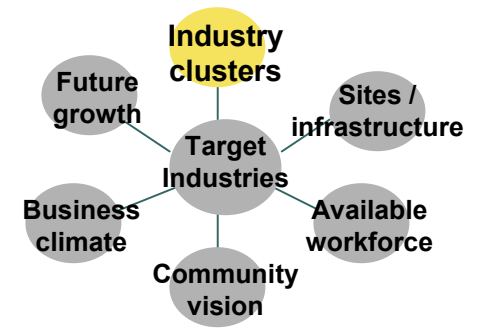
All Clusters

Cluster Employment, 2002

Cluster	Broome County			Upstate New York		
	Employees	No. Bus.	LQ	Employees	No. Bus.	LQ
15 Computer Equipment	6,138	8	16.17	49,645	167	4.43
14 Electronics	3,772	49	4.14	46,657	732	1.74
20 Utilities	3,635	46	3.03	40,470	1,336	1.14
28 Health Services	17,877	640	1.72	358,080	20,687	1.17
12 Aerospace & Defense	1,260	2	1.69	14,329	103	0.65
29 Mass Media	2,640	128	1.19	52,900	4,297	0.81
23 Eat/Drink	6,050	462	1.13	153,715	14,573	0.97
33 Civic Enterprises	6,345	762	1.08	209,187	22,289	1.21
4 Food Processing	1,451	23	1.06	35,358	979	0.88
34 Government	13,026	278	1.06	526,596	11,150	1.45
32 Higher Education & Research	2,470	23	1.03	79,442	1,045	1.13
22 Retail	13,306	1,365	1.02	402,125	45,728	1.05
9 Industrial Machinery	602	13	0.93	18,644	439	0.98
3 Housing & Construction	5,796	747	0.90	146,496	27,253	0.77
21 Wholesale	4,890	422	0.86	140,183	14,225	0.84
19 Transportation Services	906	64	0.79	35,257	2,323	1.04
7 Industrial Supplies	1,651	87	0.79	81,668	3,182	1.32
25 General Services	2,768	730	0.77	85,373	23,708	0.80
26 Business & Professional Services	11,220	1,259	0.75	371,572	45,659	0.84
24 Hotels & Entertainment	2,535	252	0.69	91,272	10,816	0.84
27 Financial Services	3,098	307	0.56	136,960	9,690	0.84
18 Logistics & Distribution	1,614	143	0.56	59,325	5,245	0.70
8 Chemicals & Plastics	898	28	0.48	38,318	1,003	0.70
6 Material Supplies	844	42	0.45	68,251	1,890	1.23
31 Software & Computer-Related Services	990	115	0.45	37,053	4,332	0.57
1 Agriculture	887	231	0.42	53,541	15,303	0.87
11 Consumer Goods	441	40	0.41	27,389	1,621	0.87
5 Apparel & Textiles	399	20	0.37	17,838	863	0.56
30 Communication Services	447	44	0.30	21,536	1,384	0.50
13 Biotechnology	242	34	0.19	42,235	1,282	1.13
17 Semiconductors	35	2	0.17	924	37	0.15
10 Transportation Equipment	197	6	0.16	40,662	338	1.09
2 Natural Resources	76	20	0.09	6,584	940	0.28
16 Communication Equipment	11	3	0.03	7,870	162	0.67
TOTAL EMPLOYMENT	118,517	8,395		3,497,455	294,781	

Note: **Bold** indicates "high-tech" clusters

Cluster analysis results

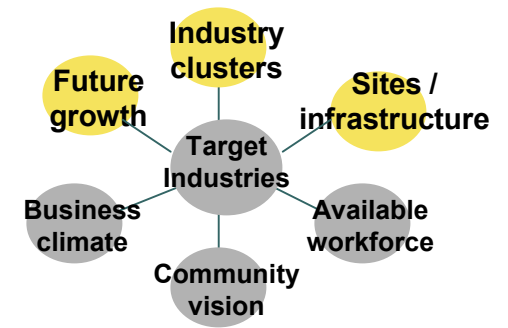


The following strong targets emerged from the cluster analysis:

- Electronics / computer equipment
- Health services
- Defense and aerospace
- Mass media
- Food processing



Potential target industry: Electronics

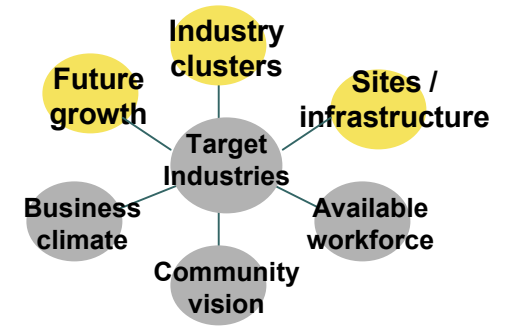


Why Electronics and Computer Equipment?

- Brings strong employment growth
 - *Electronics employment grew 9.2% nationwide between 1991-2001*
- Pays high wages with rapid wage growth
 - *In New York, electronics wages grew 43% between 1991-2001*
- Has high export potential
 - *Statewide, computer equipment exports grew 84% in the past 10 years*
- Increasingly R&D driven and less manufacturing in the US
- Broome County has a strong foundation in the sector



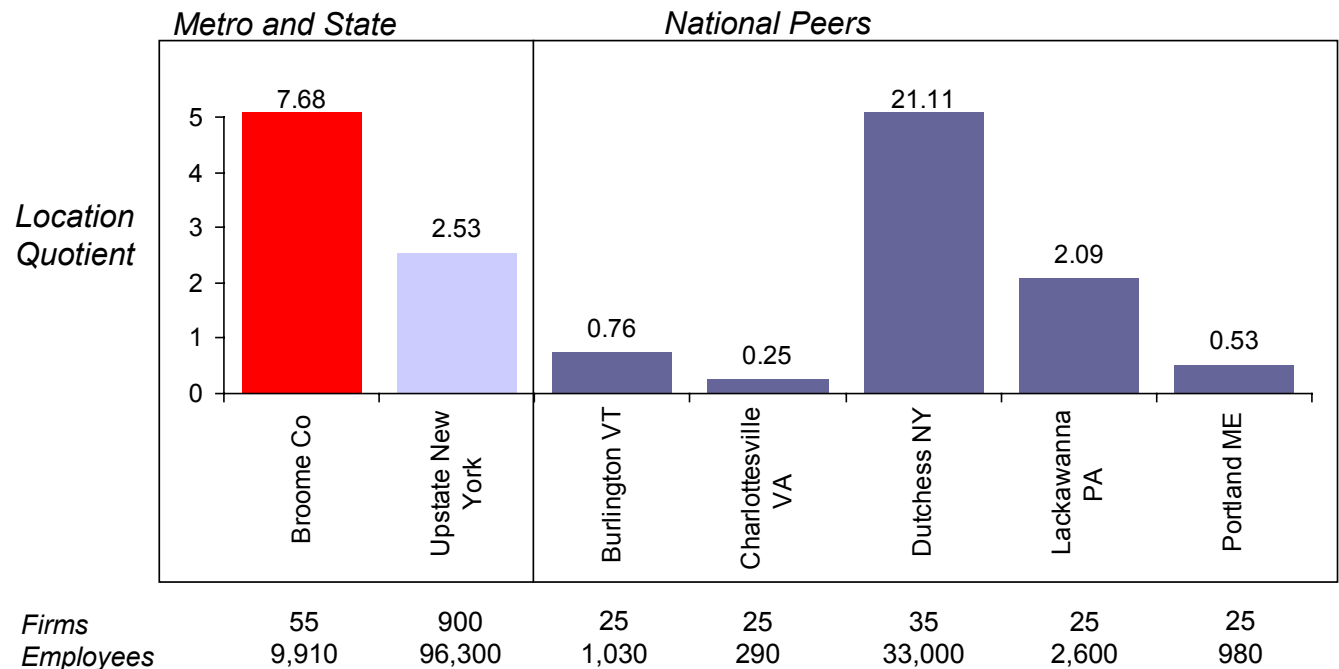
Potential target industry: Electronics



How does BC compete?

In electronics and computer equipment, Broome County is significantly stronger than the state as a whole and other peer regions.

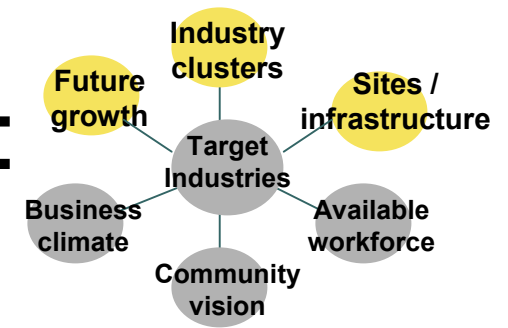
National & Regional Comparison – Computer Equipment & Electronics



Source: AngelouEconomics, Dunn & Bradstreet

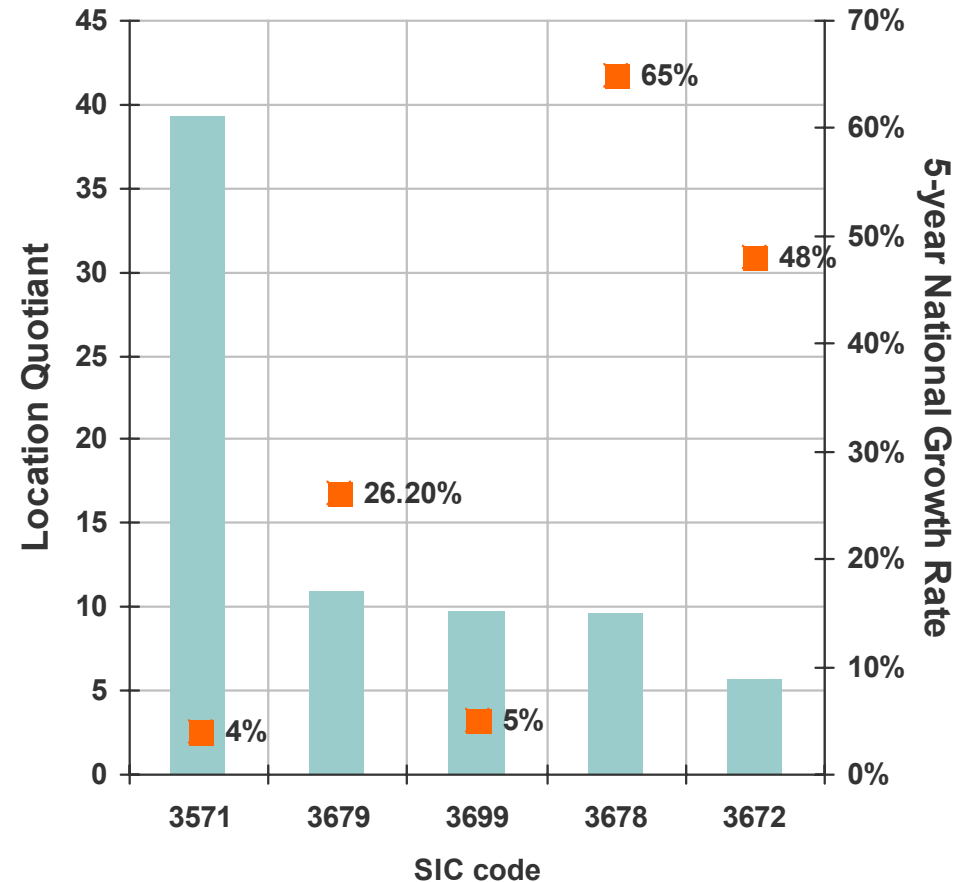


Potential target industry: Electronics

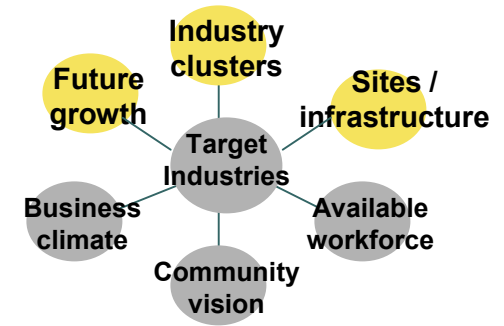


Within the Electronics and Computer Equipment industry in Broome County, the following segments are the strongest:

SIC	Industry Segment
3571	Electronic computers
3679	Electronic components
3699	Electrical equipment and supplies
3678	Electronic connectors
3672	Printed circuit boards



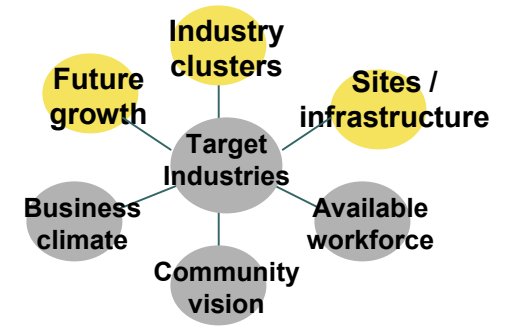
● ● ● | Potential target industry: **Electronics**



Location Criteria

- Access to highly-skilled workers
- Access to university engineering program
- Access to R&D resources
- Entrepreneurial nature requiring smaller facilities
 - *Large scale manufacturing is moving overseas*
 - *Start-ups seek low-cost but cutting-edge environment*

Potential target industry: Health Services

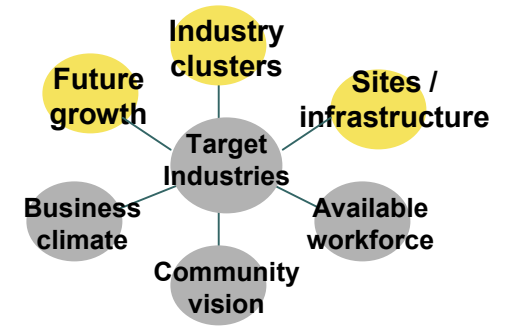


Why Health Services and Biotech?

- Businesses servicing older populations are booming
 - *Residential care forecasted to be US's 2nd fastest growing industry through 2010*
- BC has an aging population
 - *Almost 40% of BC's population is 45 years or older*
- BC has a strong health services base
 - *6,000 people in BC work in personal, residential, or nursing care*
- Health services can lead into biotechnology R&D
- SUNY-Binghamton engaged in biotech research



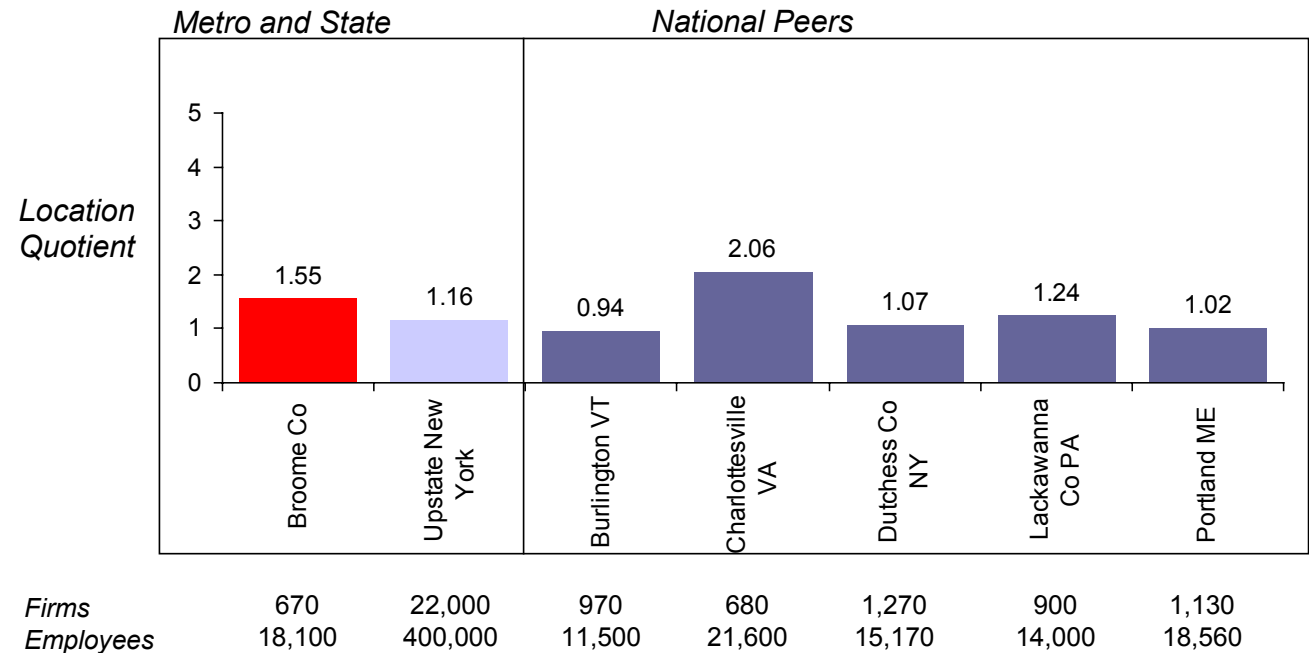
Potential target industry: **Health Services**



How does BC compete?

National & Regional Comparison – Health Services and Biotechnology

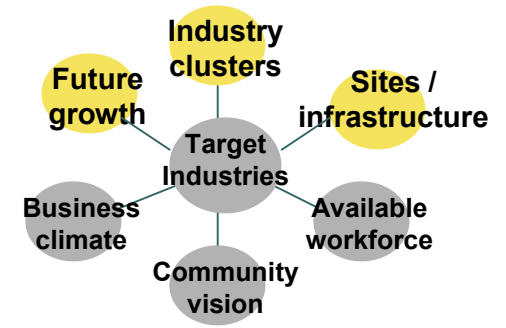
For health services and biotechnology activities, Broome County is stronger than the state average and a majority of its peer regions.



Source: AngelouEconomics, Dunn & Bradstreet

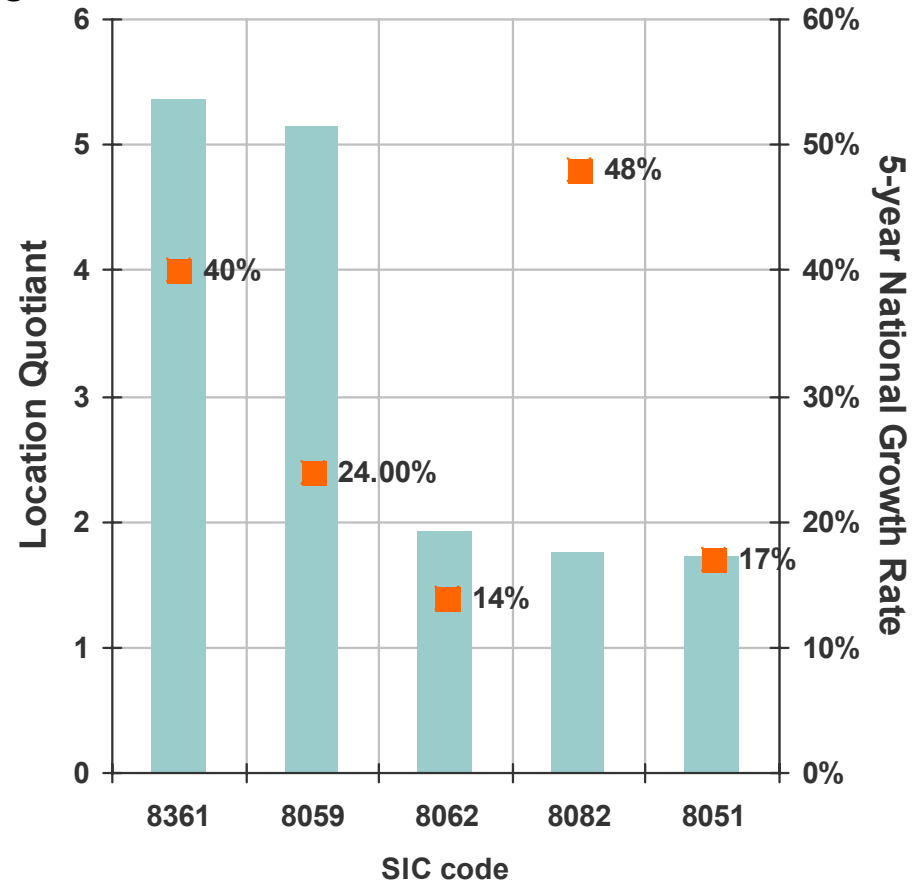


Potential target industry: **Health Services**

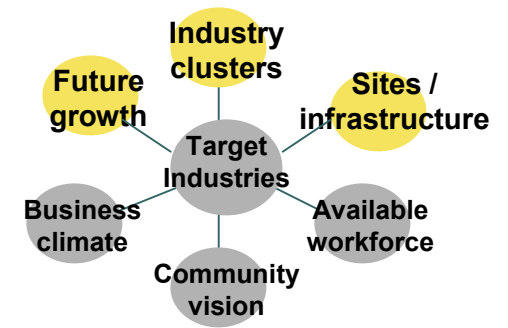


Within the **Health Services and Biotechnology** industry in Broome County, the following segments are the strongest:

SIC	Industry Segment
8361	Residential care
8059	Nursing and personal care
8062	General medical hospitals
8082	Home health care services
8051	Skilled nursing care facilities



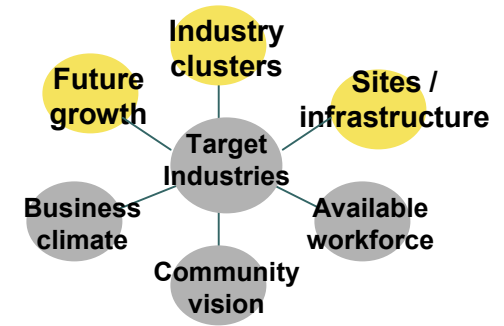
● ● ● | Potential target industry: **Health Services**



Location Criteria

- Critical mass of local patients
 - *BC is strong in industry segments servicing older populations*
- Short drive and fly times to large metro areas
 - *Family connection to relatives*
 - *Proximity to major research centers (e.g. NY, Boston)*
- Access to medically-trained workforce
- Access to university and R&D activities

Potential target industry: Communications

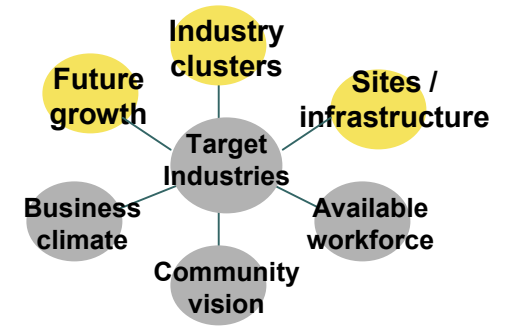


Why Communications Services?

- Experiencing rapid national growth
 - *Forecasted to add 250,000 employees nationwide 2000-2010*
- Brings high paying jobs and improved infrastructure
- BC currently imports these services
 - *Large enough market to support local providers*
- Relies on a pipeline of young, trained workers
 - *Leverage on BU and BCC*



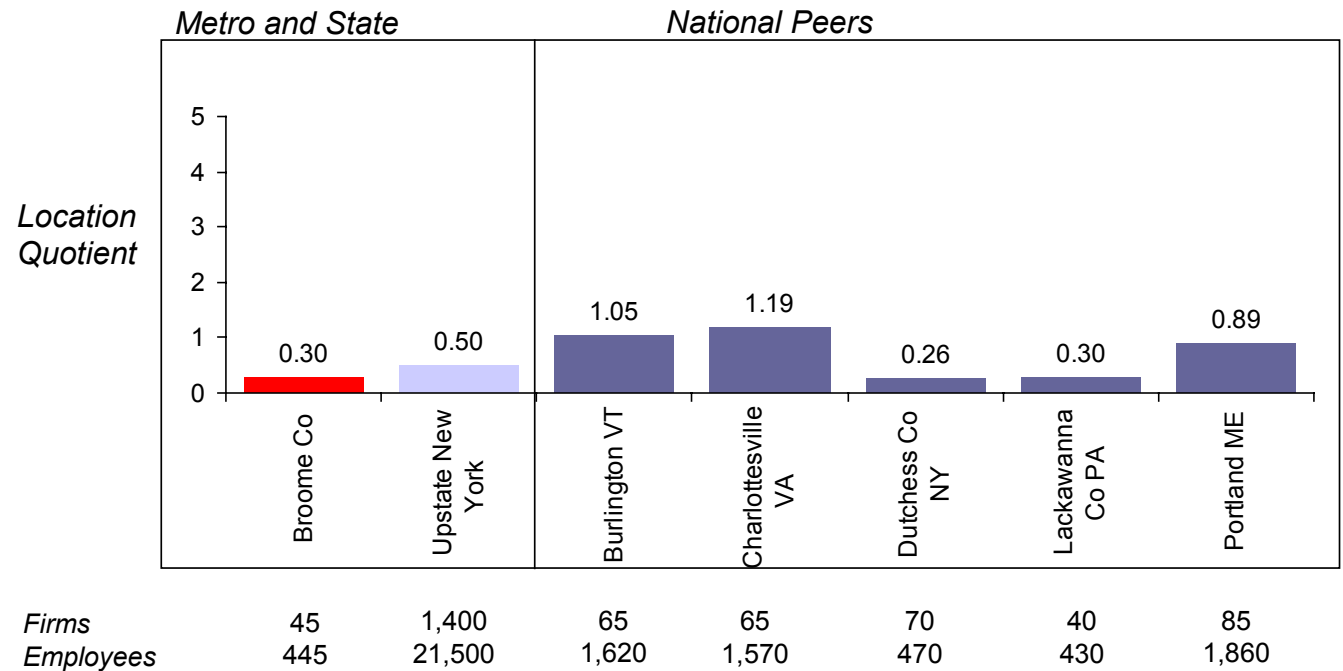
Potential target industry: Communications



How does BC compete?

Broome County is not currently strong in communications services. This industry is included because of its high nationwide growth and potential for Broome County.

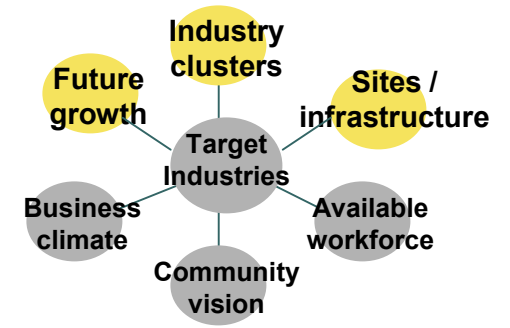
National & Regional Comparison – Communication Services



Source: AngelouEconomics, Dunn & Bradstreet

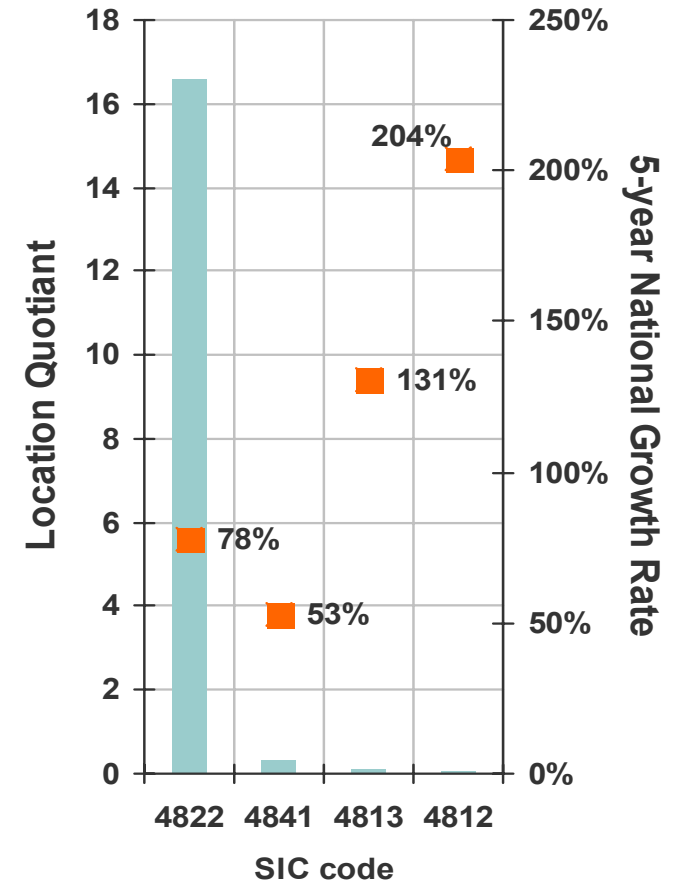


Potential target industry: Communications

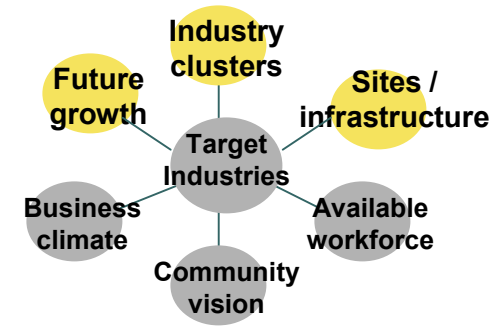


Within the **Communications Services** industry in Broome County, one segment is currently strong in BC. Other segments included here are experiencing rapid growth nationwide:

<u>SIC</u>	<u>Industry Segment</u>
4822	Telegraph and other communications
4841	Cable and pay television services
4813	Telephone communication except radio
4812	Radiotelephone communication



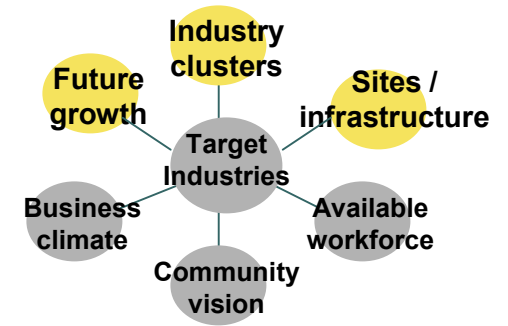
Potential target industry: Communications



Location Criteria

- Good telecommunications and internet access
- Labor intensive
 - *Tend to locate near universities and colleges*
 - *Require entry-level technical labor*
 - *Competitive labor costs*
- Large facilities for customer support centers
 - *Low-cost land or vacant buildings are demanded*

Potential target industry: Food Processing

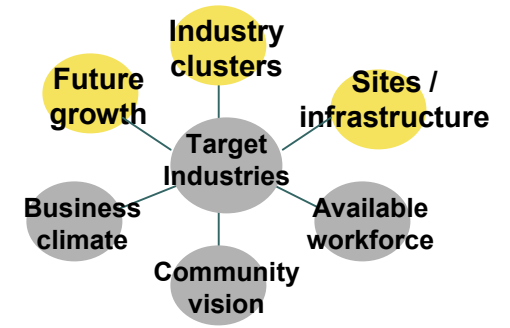


Why Food Processing?

- Link between agriculture and retail
- Stable long-term growth
 - *Some segments experience 20%+ growth in past 5 years*
- Steady employment increases in BC
 - *70% growth since 1997*
- Tech edge as production becomes more automated
- Requires proximity to large metro areas
 - *BC is 3 hours from the nation's largest metro area*



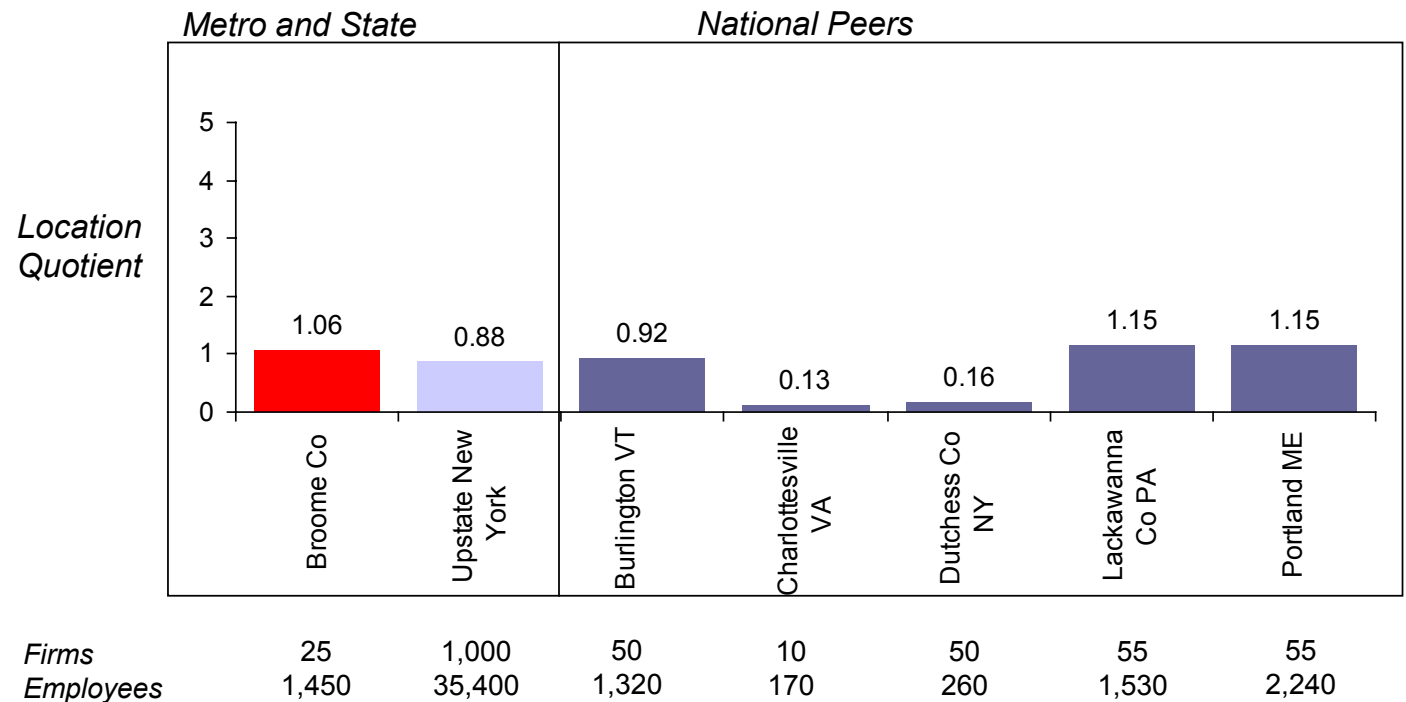
Potential target industry: Food Processing



How does BC Compete?

National & Regional Comparison – Food Processing

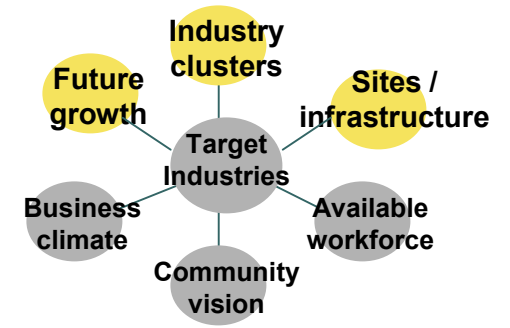
In food processing, Broome County is stronger than New York State and three other peer regions.



Source: AngelouEconomics, Dunn & Bradstreet

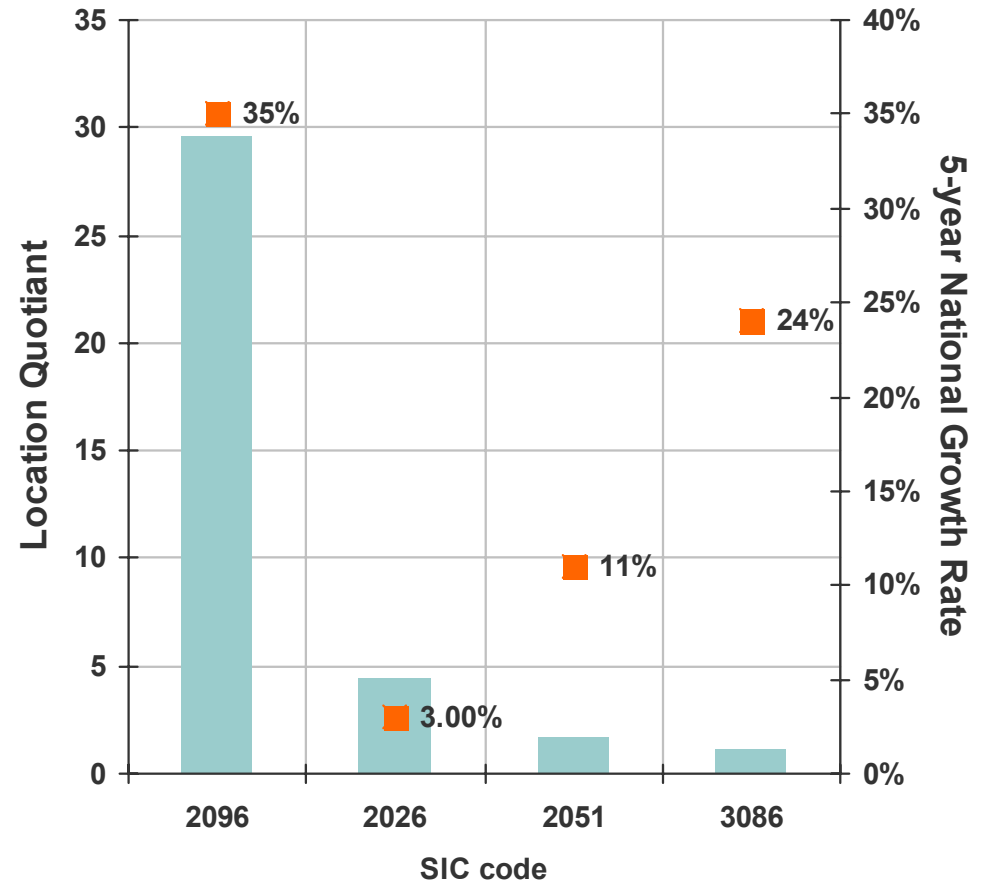


Potential target industry: Food Processing

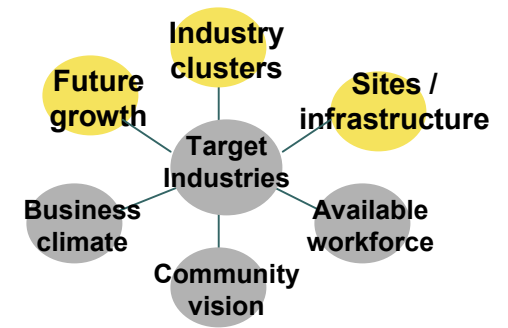


Within the Food Processing industry in Broome County, the following segments are the strongest:

SIC	Industry Segment
2096	Potato chips and snacks
2026	Fluid milk
2051	Bread, cake, and related
3086	Bottled and canned soft drinks



Potential target industry: Food Processing



Location Criteria

- Labor intensive
 - 1/2 of employees are in production
 - Sensitive to labor costs
- Large manufacturing sites
- Some segments need high capacity water and wastewater
- Close proximity to the markets they are serving
 - Rural areas near large metro markets
- Good access to raw materials (agriculture areas)
- Good transportation / distribution infrastructure

● ● ● | Community vision



What industry segments could flourish in BC?

What current industries could be expanded to support future economic growth?



Community vision



Set a goal for BC

In 5 years, what one major economic accomplishment should be achieved?

Recruit a multinational corporation?

Create a climate for entrepreneurship?

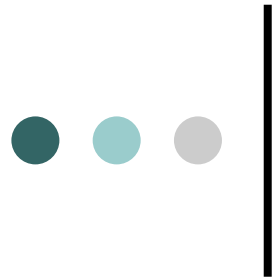
Major infrastructure changes?

Retain and recruit skilled workers?

● ● ● | Community vision



How can the entire community work together to achieve long-term economic growth?



Community vision



Please provide additional insight online at:

www.TheBCPlan.com

