A Targeted Industry Analysis for Ulster County

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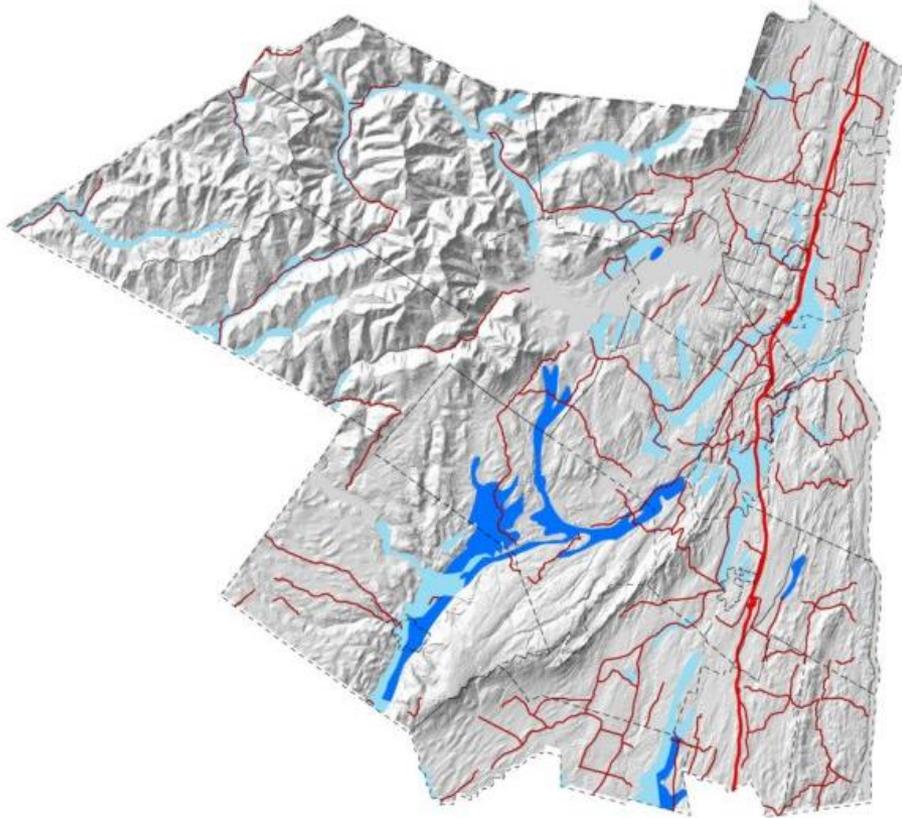
Agenda

Introductions

Review of Project Purpose & Scope of Work

Analyses: Previous & Current

Target Industries

Marketing Approach

Discussion

Next Steps

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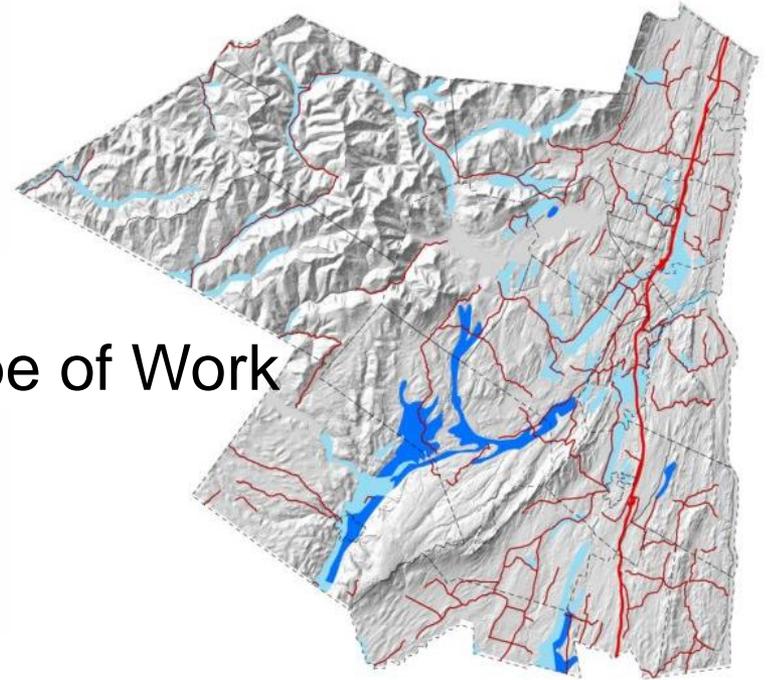
Project Purpose

What are types of businesses that can raise living standards in Ulster County that can be attracted here or are already here and can be expanded?

What are the critical success factors for these businesses?

How do you keep or improve those factors?

How do you let these firms know about the opportunities in Ulster County?

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Scope of Work

Task 1. Project Initiation

Task 2: Summary Assessment of the Regional and Local Economy & Setting
- A demographic and economic profile of Ulster County
- A regional profile comparing Ulster with New York State and the Hudson Valley region
- An inventory of the types and size of businesses within Ulster County
- A summary description of the physical infrastructure assets of Ulster County
- A baseline assessment versus "benchmark" counties.

Task 3: Outreach to key Economic Development Stakeholders:
Interviews/focus groups with representatives of key industry niches
Survey of site selectors active in New York State

Task 4. Developing the Strategic Core: Vision, Industry Targets and Strategic Approach:
Industry targets
Strategic Vision: The strategic vision shall articulate Ulster County's competitive advantage for target industries
Key Assets: This will identify the key assets that will play a central role in marketing to target industries
Strategic Approach: The types of actions Ulster County's Economic Development Alliance will take and/or encourage

Task 5. Defining Roles and Responsibilities and Tools for the Target Industries: Draft Action Plan

Task 6. Presentation of Preliminary Findings

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Task 7. Final Report on an Target Industry Strategy for Ulster County

Previous Analysis

Current Target Industries

- The region's technology-based industries: biotechnology and other biomedical; high-tech manufacturing; and information technology
- Growth potential of more mature industries including distribution, food and beverage, health care, and professional services
- Leverage the region's impressive natural resources and high quality-of-life and develop tourism (agricultural, historic, cultural, food, and eco tourism)

Source: Mid Hudson Region Economic Development Council, *Strategic Plan, 2011*.

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Previous Analysis

Current Target Industries

1) Scientific Apparatus and Research Cluster

-Companies in this cluster manufacture equipment, furniture and appliances for laboratories and research facilities. Companies in this cluster also utilize these products.

NAICS	Description	LQ's
33911	Laboratory apparatus and furniture manufacturing	1.29
33911	Surgical appliance and supplies manufacturing	1.29
5417	Scientific research and development services	0.79
33911	Dental laboratories	1.29
Cluster Employment (estimated)		**396**

2) Wood Products Manufacturing Se...

-Companies in this cluster build a wide ... custom millwork.

NAICS	Description		
32121	Engineered wood member		
33712	Nonupholstered wood hous...		
32191	Other millwork- including fl...		
32199	Prefabricated wood building...		
32111	Sawmills		
33721	Custom architectural wood...		
Cluster Employment (estimated)			

3) Machinery Manufacturing Cluster

-Companies in this cluster build a wide ...

NAICS	Description	LQ's
33271	Machine shops	0.64
33329	All other industrial machinery manufacturing	1.36
33351	Metal cutting machine tool manufacturing	1.36
33399	Power-driven handtool manufacturing	1.45
33351	Metal forming machine tool manufacturing	1.36
33399	Fluid power pump and motor manufacturing	
Cluster Employment (estimated)		**699**

4) Electronic Equipment and Component Manufacturing Cluster

- Companies in this cluster manufacture a wide variety of technologicly advanced electronic devices.

NAICS	Description	LQ's
33441	Semiconductors and related device manufacturing	1.05
33451	Industrial process variable instruments	0.55
33451	Watch- clock- and other measuring and controlling devices	0.55
3343	Audio and video equipment manufacturing	0.55
33441	All other electronic component manufacturing	1.05
Cluster Employment (estimated)		**308**

... high value added services. They include ... services, management services, publishing ...

	Description	LQ's
	... ry credit intermediation	37.40
	...ces	0.85
	...n and related activities	0.93
	...vestments	
		1,666

NAICS	Description	LQ's
		0.69
		0.69
		0.28
5242	Insurance agencies- brokerages- and related services	0.82
5619	Other support services	0.70
5418	Advertising and related services	1.57
54151	Other computer related services, including facilities	0.68
Cluster Employment (estimated)		**3,222**

NAICS	Description	LQ's
Information Services Cluster		
5142	Data processing services	
5141	Information services	
51119	Database, directory, and other publishers	
51113	Book publishers	
518	ISPs, search portals, and data processing	5.38
32311	Commercial printing	2.39
Cluster Employment (estimated)		**1076**

Note: Values are estimated due to disclosure issues in County Business Paterns Data

"These sectors will be investigated more fully over the next 1-3 years, while Ulster County stakeholders and partners continue this economic development planning effort to get a greater degree of resolution regarding what these sectors require for their further development."
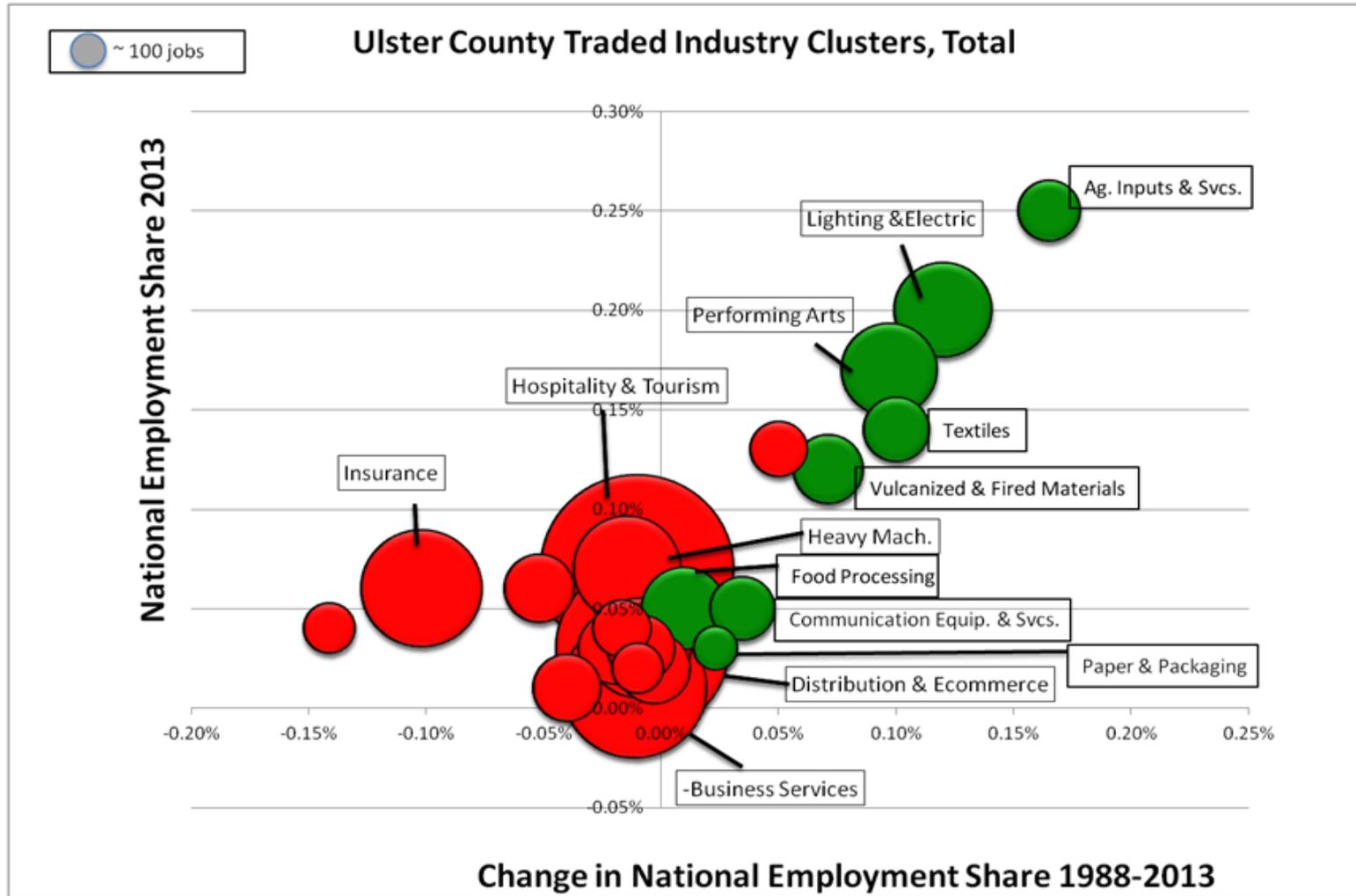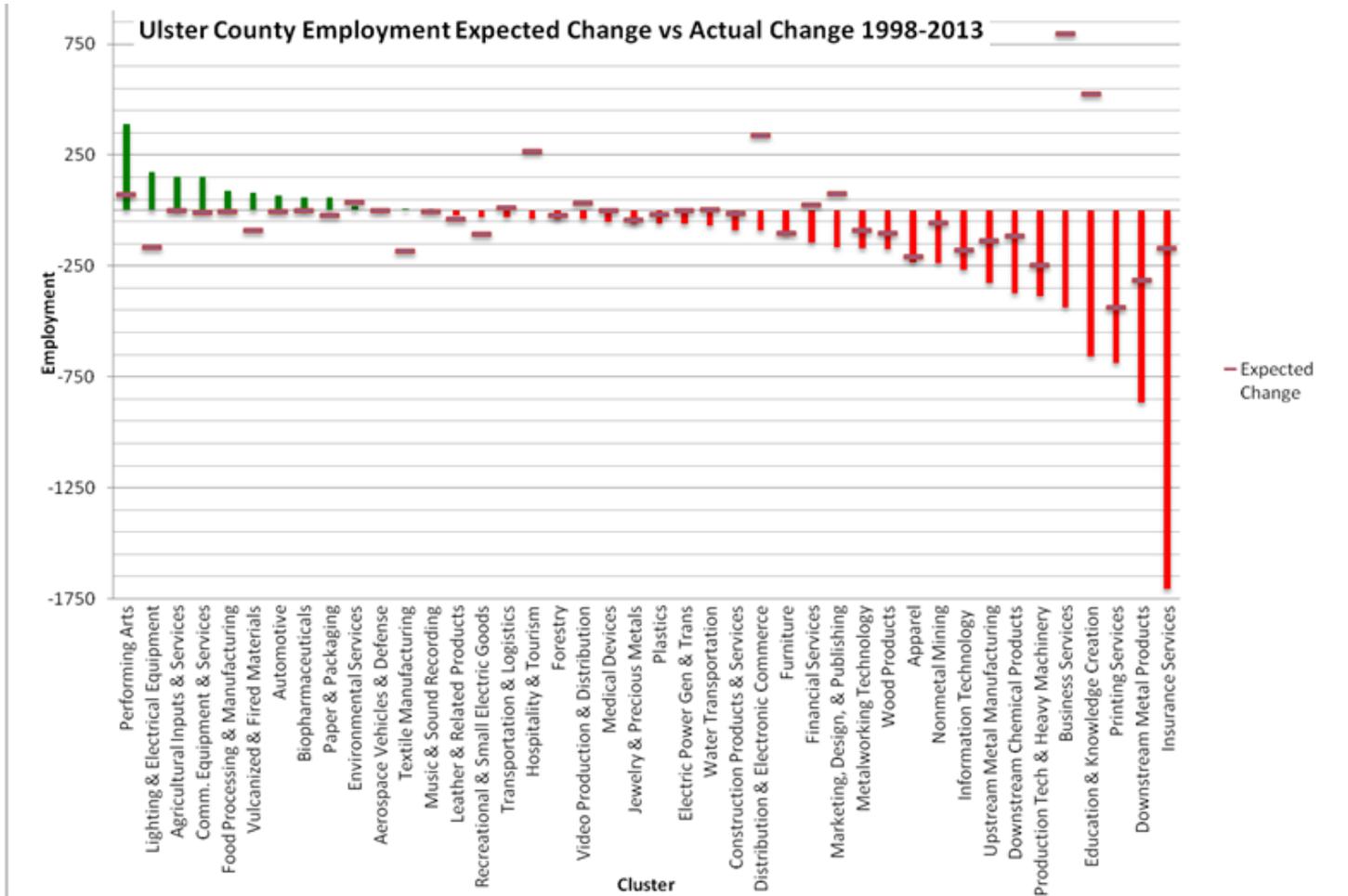
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Source: *Ulster Tomorrow.*

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Current Analysis

Ulster County Traded Industry Clusters, Total

~ 100 jobs

National Employment Share 2013

Ag. Inputs & Svcs.

Lighting & Electric

Performing Arts

Hospitality & Tourism

Insurance

Textiles

Vulcanized & Fired Materials

Heavy Mach.

Food Processing

Communication Equip. & Svcs.

Paper & Packaging

Distribution & Ecommerce

-Business Services

0.30%

0.25%

0.20%

0.15%

0.10%

0.05%

0.00%

-0.05%

-0.20%   -0.15%   -0.10%   -0.05%   0.00%   0.05%   0.10%   0.15%   0.20%   0.25%

Change in National Employment Share 1988-2013

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Source: compiled by Fairweather Consulting using data from http://www.clustermapping.us

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Current Analysis

Ulster County Employment Expected Change vs Actual Change 1998-2013

Source: compiled by Fairweather Consulting using data from http://www.clustermapping.us

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Current Analysis: Targets

AGRICULTURE & FOOD PRODUCTION

Definition: Enterprises engaged in the production of food and/or beverage products as well as those providing support services to agricultural operations.

COMPONENT CLUSTERS

Agricultural Inputs and Services

Food Processing and Manufacturing

Livestock Processing

ARTS PRODUCTION

Definition: Enterprises engaged in the production of works of art or in providing support services that contribute to the production of works of art.

COMPONENT CLUSTERS

Music and Sound Recording

Performing Arts

Video Production and Distribution

ADVANCED MANUFACTURING

Definition: Enterprises that produce goods that incorporate digital technology and/or are produced using such technology.

COMPONENT CLUSTERS

Communications Equipment and Services

Downstream Metal Products

Food Processing and Manufacturing

Information Technology and Analytical Instruments

Jewelry and Precious Metals

Leather and Related Products

Lighting and Electrical Equipment

Marketing, Design, and Publishing

Medical Devices

Metalworking Technology

Paper and Packaging

Textile Manufacturing

Vulcanized and Fired Materials

DIGITAL DESIGN & TECHNOLOGY

Definition: Enterprises that produce digital media and/or software applications.

COMPONENT CLUSTERS

Information Technology and Analytical Instruments

Marketing, Design, and Publishing

Video Production and Distribution

HOSPITALITY & TOURISM

Definition: Enterprises that sell services or goods specifically targeted to consumers who are visiting Ulster County.

COMPONENT CLUSTERS

Hospitality and Tourism

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Current Analysis: Targets

ADVANCED MANUFACTUR-ING

AGRICULTURE & FOOD PRODUCTION

DIGITAL DESIGN & TECH-NOLOGY

ARTS PRODUCTION

HOSPITALITY & TOURISM

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Marketing Approach

What do site selectors want for their clients?[1]

- 👍 •Talent attraction (the presence of the 25-44-year-old population segment)

- 👍 •Educational attainment of the workforce
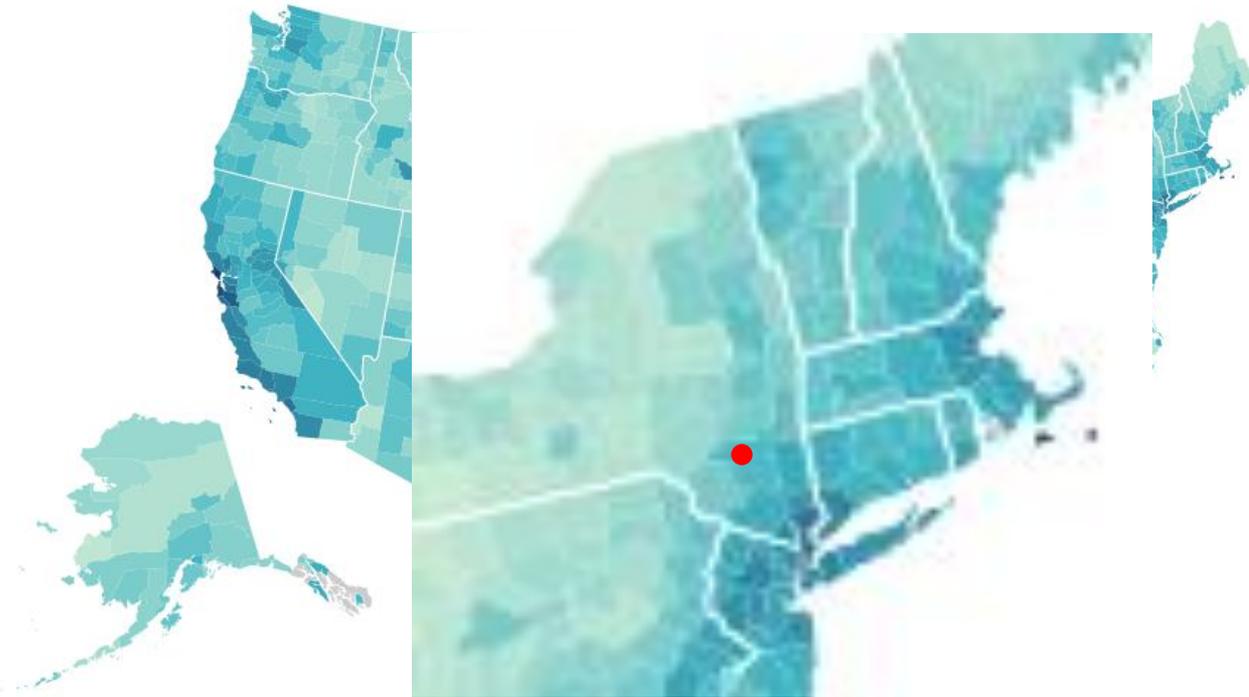
- 👎 •Top rank in Favorable Business Climate

- 👎 •Presence of Right to Work Laws

[1] Angelos Angelou, *Trends in Site Selection 2015*, IEDC Annual Meeting, Oct 6, 2015

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Marketing Approach

What do site selectors want for their clients?

Average home value, 2007-2011, in dollars

Interactive by Christopher Ingraham

Source: State & Local Government Finance Initiative. The Urban Institute-Brookings Institution Tax Policy Center. Data from U.S. Census Bureau, American Community Survey (2005-2012). Date of Access: (20-Sep-2013).

http://www.brookings.edu/research/interactives/2013/county-property-taxes-map

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Marketing Approach
Geographic Focus: NYC Metro Area

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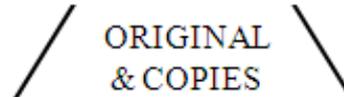**Ulster County Economic Development Alliance**

Marketing Approach

The Market Polarization Model
©Pete Mathieu & Associates

1. INVENTOR FILLS A NEED

2. PARITY COMPETITION ENTERS/EXPANDS THE MARKET

ORIGINAL & COPIES

3. EXTREMES ENTER AND ARE *DISREGARDED*

SUPERIOR QUALITY   LOWER PRICE
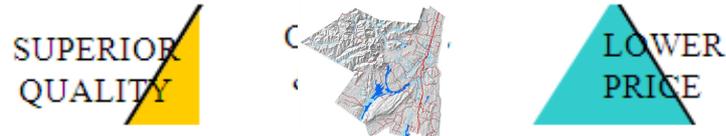
4. POLARIZATION ACCELERATES

SUPERIOR QUALITY   ORIGINAL & COPIES   LOWER PRICE

5. THE MIDDLE LOSES

SUPERIOR QUALITY   ORIGINAL & COPIES   LOWER PRICE

As markets mature, they polarize between superior quality and lower price. The middle offers neither and loses.

Source: *Ulster Tomorrow.*
Source: *NYSDOL, QCEW*

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Marketing Approach

Build Long-term Relationships in the Target Industries

Expanded Business Retention & Expansion (BR&E) efforts

Attend Appropriate Industry Related Trade Shows

Continue to Partner with Regional Industry Attraction Efforts

MID-HUDSON
Regional Economic Development Council

Hudson Valley ECONOMIC DEVELOPMENT CORPORATION

Continue to strengthen and document Workforce Development Capabilities

SHARED VISION
SHARED COMMITMENT
SHARED SUCCESS

ULSTER **BOCES**
BOARD OF COOPERATIVE EDUCATIONAL SERVICES

sunyUlster
Start Here. *Go Far.*

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Marketing Approach

## Focus Incentives on the needs of firms in the Target Industries

SLOWER LONG-TERM GROWTH IS EXPECTED: "CBO projects that real potential output over the 2020–2025 period will grow by 2.1 percent per year, on average. That figure is substantially lower than the agency's estimate of the rate of growth that occurred during the business cycles from 1981 to 2007—3.1 percent per year, on average (measured from peak to peak). . . ."

Congressional Budget Office. *Update to the Budget and Economic Outlook: 2015 to 2025*

Subsidies may be needed to encourage investment in the face of low rates of return.

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Marketing Approach

Match industry targets to municipalities based upon the unique strengths of those municipalities

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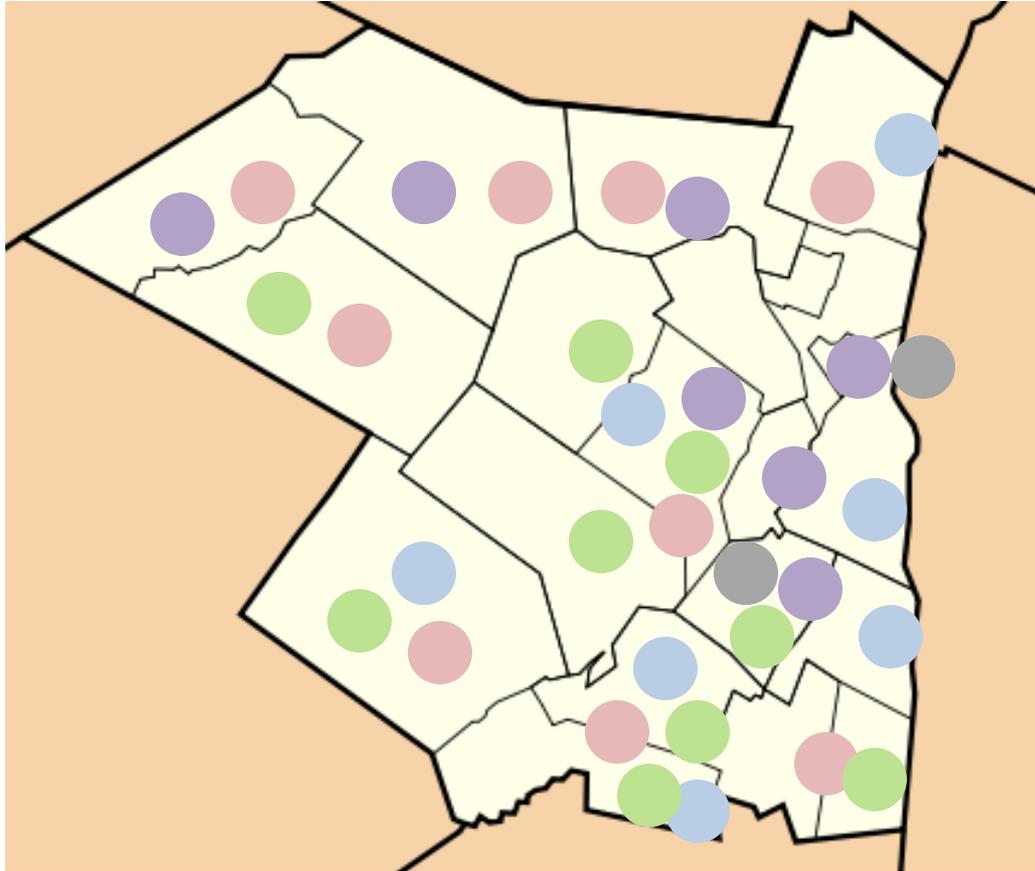
Marketing Approach
Industry-specific Initiatives

Initiatives to Support Advanced Manufacturing

•*Continue to develop sites and facilities in areas served by infrastructure, particularly Saugerties and the Kingston/Ulster area*.

•*Encourage the use of the Hudson Valley Center for Advanced Manufacturing by local manufacturers.*

HUDSON VALLEY
ADVANCED MANUFACTURING CENTER
at SUNY NEW PALTZ

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Marketing Approach
Industry-specific Initiatives

Initiatives to Support Agriculture & Food Production

- *Complete a Feasibility study of expanded co-packing facilities*

- *Promote Vocational English as a Second Language (VESL) for farm workers and food workers*

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Marketing Approach
Industry-specific Initiatives

Initiatives to Support Arts Production

Launch a formal Business Retention & Expansion effort focused on arts production business such as enterprises in video production technology, acoustic design and other activities that support the production of art in the County.
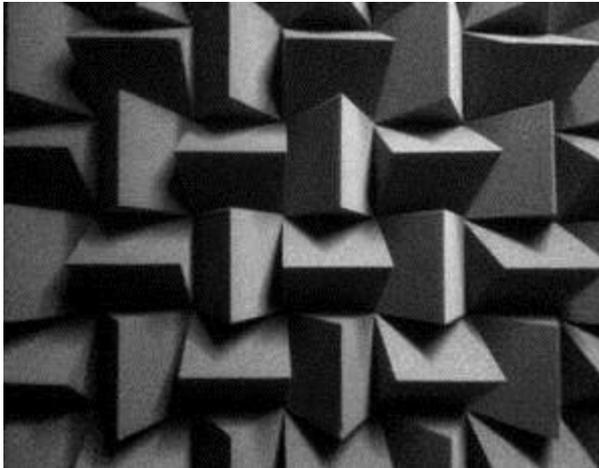
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Marketing Approach
Industry-specific Initiatives

Initiatives to Support Digital Design and Technology
Foster the innovation ecosystem centered in the Kingston area.

- *Improve broadband access in key locations in Kingston*

- *Foster creation of co-working spaces.*

- *Continue to hold networking events to attract techno-preneurs to the County.*
-
- *Cultivate relationships with venture capital and seed funds.*

- *Promote "code academies" and other noncredit credentialing programs*

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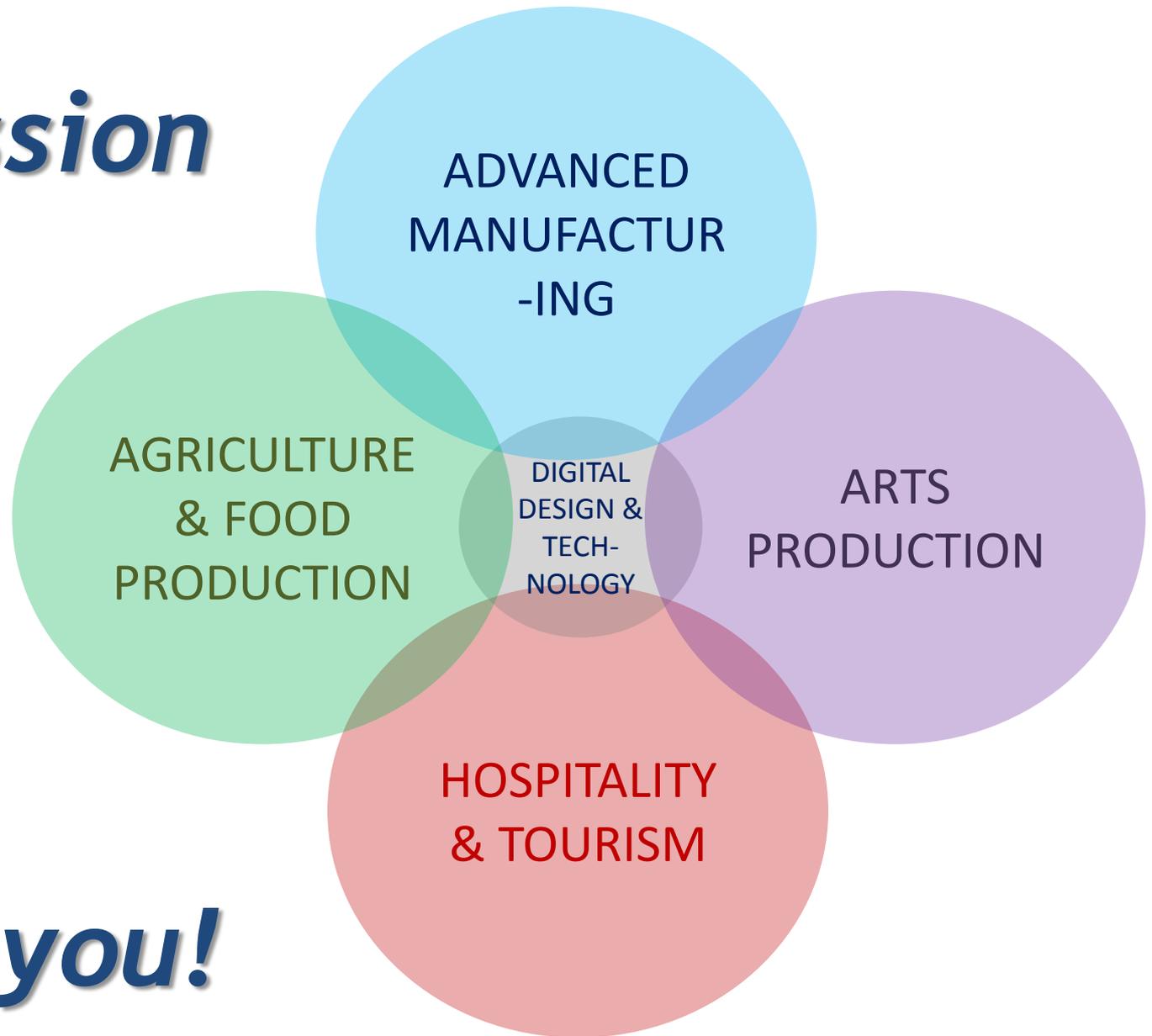
Marketing Approach
Industry-specific Initiatives

Initiatives to Support Tourism & Hospitality
Provide financial support for destination tourism projects, both expansions and new construction.

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Discussion

ADVANCED MANUFACTUR-ING

AGRICULTURE & FOOD PRODUCTION

DIGITAL DESIGN & TECH-NOLOGY

ARTS PRODUCTION

HOSPITALITY & TOURISM

Thank you!

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