

S U M M A R Y R E P O R T

# · Otsego County ·

Economic Development Planning Initiative A



June 2005

**Moran, Stahl & Boyer, LLC**

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## 1. Executive Summary

### Introduction/Objectives

Otsego County has a population of approximately 62,000 and is located in a rural/agricultural area in central New York State. The county has a relatively diverse economy supported by a college and university, two hospitals, a strong tourist industry and a number of long-term private employers. Although the population of the county is on a positive growth curve (0.24% per year) and has a relatively low unemployment rate, the county wants to continue to enhance and diversify their base by attracting a variety of industry employers. To this end, the county retained the consulting services of Moran, Stahl & Boyer to review the economic situation within the county and recommend options for expanding the employer base in target industries.

### Key Findings From Situation Assessment

As part of the effort to understand the current situation in the county, MS&B conducted desktop research as well as interviews with local employers, several facilitated sessions with county stakeholders, and had a windshield tour of major sections of the county. Key findings and observations are as follows:

- For a community of its size and rural context, it is economically diverse and vibrant.
- Over the past 150 years, the county has shifted its economic base several times – from primarily agriculture, then a transportation center, then a diverse center for education, manufacturing, education and tourism.
- Many of the private companies exist in the county because the owners were either from the area or chose to relocate here for its unique quality of life opportunities.
- The larger employers (hospitals, college/university and New York Mutual Life Insurance Company) have been in the county since the 1920's and before.
- Of the larger manufacturing firms that came in the 1960's-'70's, only Corning Incorporated is still in the area. Most of the local industrial companies that have been established in the last 25 years have employment levels of less than 60 employees.
- The college/university presence in a community is impressive, particularly comprehensive facilities at SUNY – Oneonta which could be a real draw for new business. However, there is very little technical programs offered locally other than Information Technology.
- Tourism brings over 400,000 visitors to the county each year to the various venues that include the Baseball and Soccer Hall of Fames, several museums, the Dreams Baseball Park, the Glimmerglass Opera and other outdoor activities. This represents a significant opportunity to promote the community to a geographically broad group of people.
- Industrial growth in the county will tend to focus on those areas with access utilities, high speed telecom, flat land and an interstate highway

## 1. Executive Summary (cont'd)

### Summary of Target Opportunities

Specific economic development opportunities were identified based on an assessment of current industry, discussions with county stakeholders and a review of resources.

- Technology Manufacturers (<50 employees)
- Specialty Food and Beverage Production, Processing and Distribution
- Software Development
- Other Manufacturing (Plastics, Wood and Metalworking)
- Specialty Distribution Operations (100,000 SF or less)
- Tourism Support Goods (hats, shirts, posters, booklets, etc.)
- Education Experiences (adult learning)

### A Footnote on Economic Growth Strategy

Any economic growth strategy has three key components:

- Community Development
- Industrial Development
- Market Development

Although community and economic development were not directly dealt with in the scope of this project, all three need to be addressed in order for economic development to ultimately be successful.



## 2. Profile of Otsego County's Current Situation

### Economic Activity

Otsego County has experienced a shift in their economic base several times over the past 150 years from agriculture to being a transportation center to a diverse center for healthcare, education, manufacturing and tourism. A summary of key economic activities is presented in Figure 3 on page 5 and summarized below.

#### Agriculture

Otsego County was an agricultural-based community in the 18<sup>th</sup> century with the growing of hops evolving into a major cash crop. By the time of the Civil War, Otsego County produced 30% of the total U.S. production of hops. The industry was eventually lost due to western markets that began in the 1880's, a mildew blight in 1909, an aphids outbreak in 1914, and finally prohibition by the 1930's. The farming community began turning to dairy farming as their agricultural base in the early 1900's.

#### Transportation/Railroad

The Oneonta Roundhouse was built by the railroad in 1906 – the largest facility of its type in the world at that time with a 400' diameter roundhouse with 52 stalls and a 75' diameter turntable that was later expanded to 105'. Oneonta's roundhouse brought significant jobs to the county throughout the first half of the 19<sup>th</sup> century until steam engines were replaced by diesel and the epicenter of the rail lines moved west.

#### Education

A state teachers college was established in Oneonta in the 1890's that has evolved into a university and Hartwick Seminary established a liberal arts college in Oneonta in the 1920's.

#### Healthcare

AO Fox hospital began in Oneonta in the 1880's while the Bassett Hospital began in Cooperstown in the 1920's.

#### Manufacturing

The county has supported manufacturing throughout the 20<sup>th</sup> century representing a wide diversity of products ranging from machinery to paper boxes, apparel, cement, fertilizer, electronics, beverages, mobile medical equipment, plastics and fabricated metal products. The largest employers (50 – 200+ employees) came in the 1960's and '70's while more recently the firms have been smaller (<35 employees). Refer to Figure 4 on page 6.

#### Insurance

The New York Central Mutual Life Insurance Company has been in the county since the 1890's and currently has ~1,200 employees. The county is also host to several smaller insurance firms.

#### Tourism

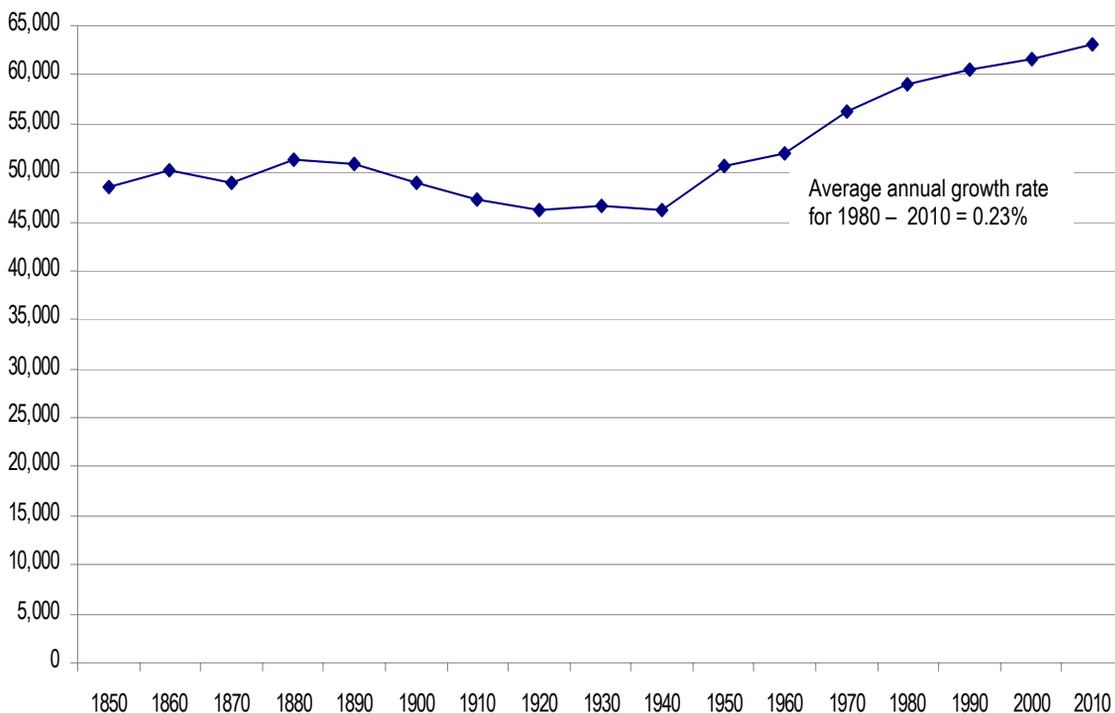
The Baseball Hall of Fame was established in the late 1930's, the Soccer Hall of Fame was established in the 1970's and later expanded in the 1990's and the Dreams Baseball Park was built in the late 1990's. In addition, tourism is supported by patrons to the Glimmerglass Opera House and the Farmers and Fenimore Museums.

## 2. Profile of Otsego County's Current Situation (cont'd)

### Population Growth

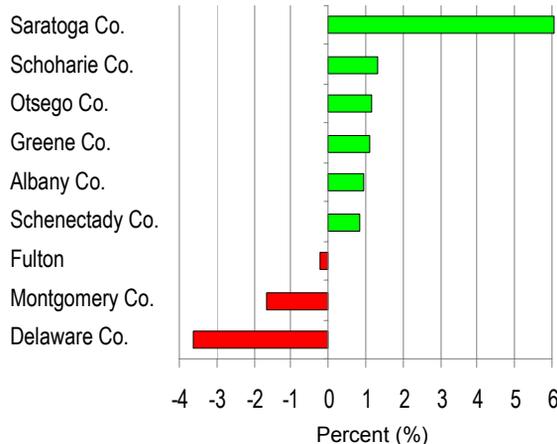
Otsego County has had a very stable population over the past 150 years – growing approximately 15,000 in population during that period. There was a growth spurt after WW II and a steady growth of about 0.23% over the past 25 years.

**Figure 1 – County Population (1850 – 2010)**



Otsego County's projected five-year growth rate is modest compared to Saratoga County – one of the highest growth areas in the state. But it exceeds other rural counties in the region that are losing population over the same time period.

**Figure 2 – Projected 5-yr. Growth Rate**



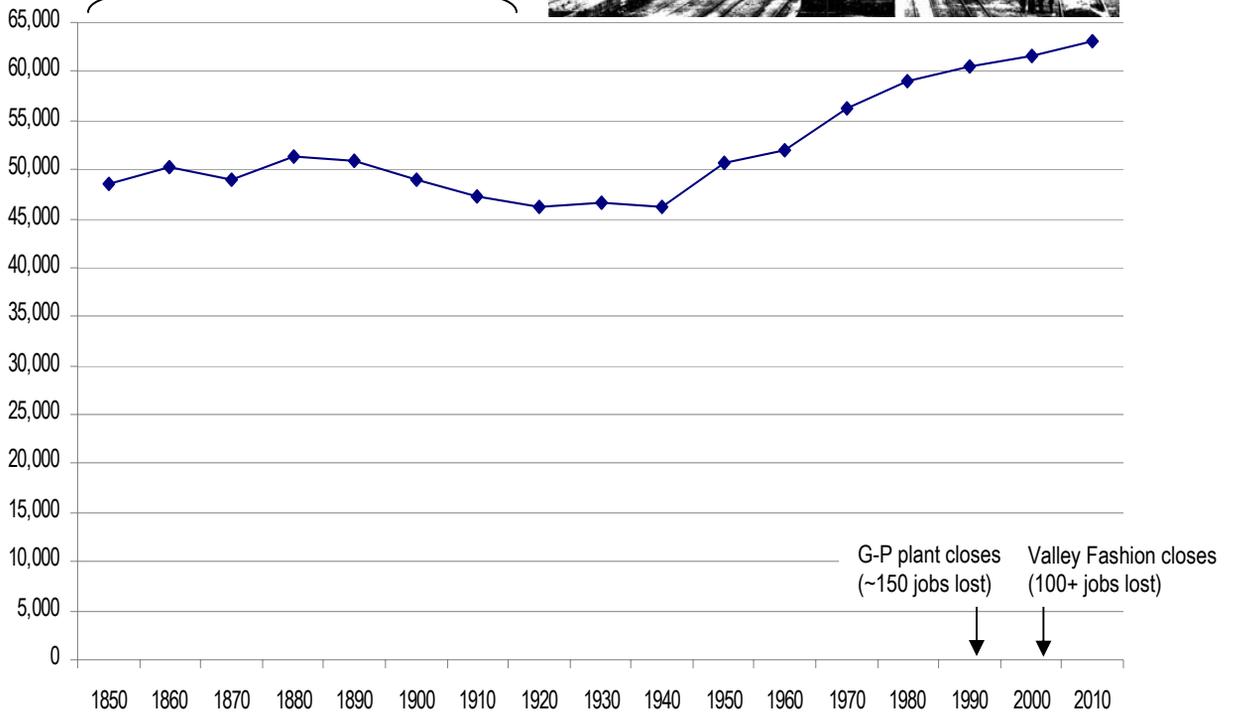
**2. Profile of Otsego County’s Current Situation (cont’d)**

**Figure 3 – Population Growth vs. Economic Activity (1850 – 2010)**



From 1830 hops became a valuable cash crop until the 1880’s when pressure came from Western markets, then mildew in 1909, aphids in 1914 and finally prohibition in the 1930’s

The largest railroad roundhouse in the world was built in Oneonta in 1906 and thrived until the 1940’s with the demise of the steam engines and growth to the west

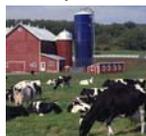


SUCO began in Oneonta as a teacher’s college



AO Fox Hospital opens in Oneonta

Dairy farming ramps up in the county



Hartwick Seminary starts a college in Oneonta



Bassett Hospital opens in Cooperstown

Baseball Hall of Fame Opens



NYS Thruway opens



Soccer Hall of Fame Opens

I-88 opens

Dreams Park Opens in Cooperstown

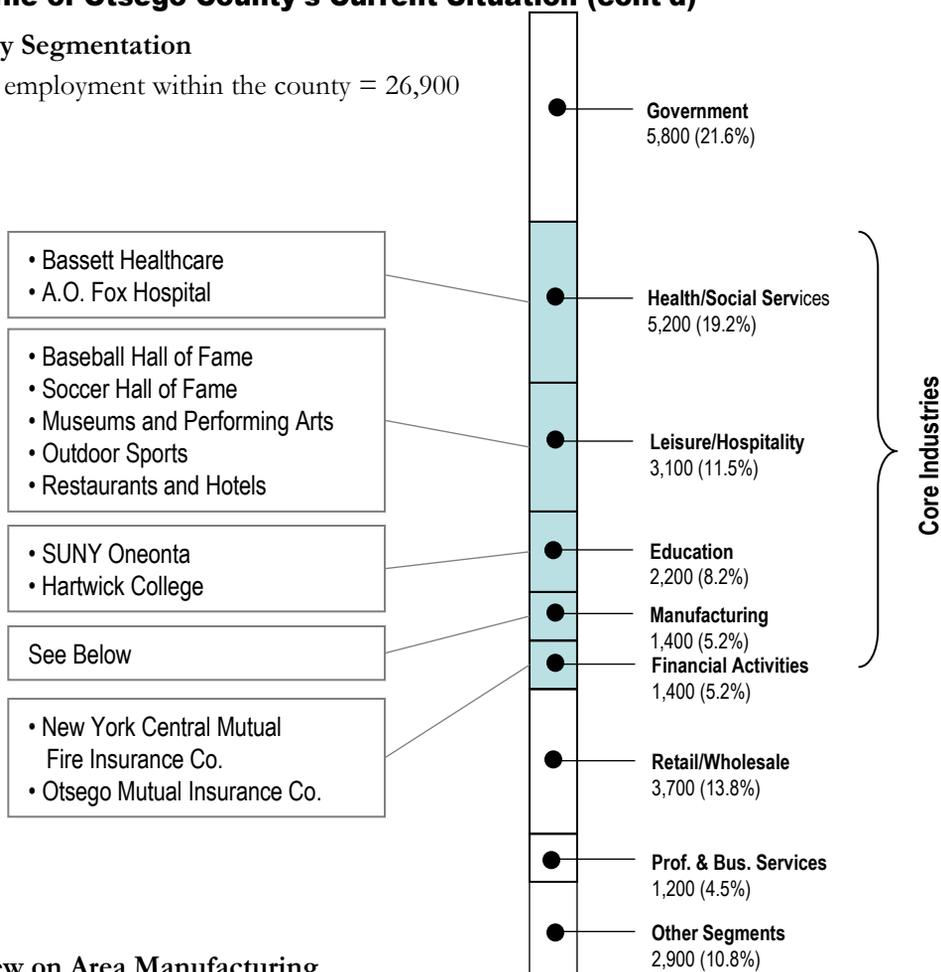
G-P plant closes (~150 jobs lost)

Valley Fashion closes (100+ jobs lost)

## 2. Profile of Otsego County’s Current Situation (cont’d)

### Industry Segmentation

Current employment within the county = 26,900

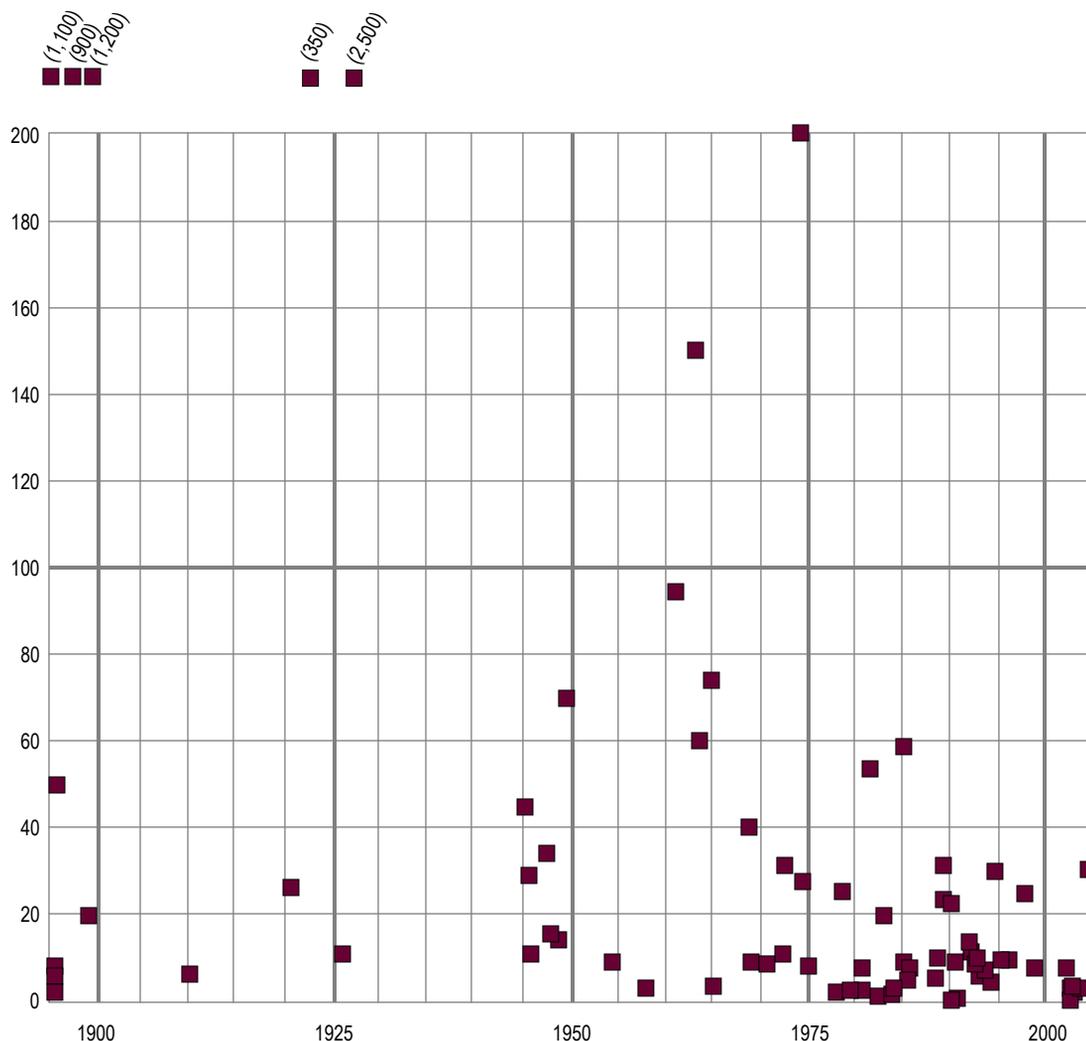


### Overview on Area Manufacturing

Segment	Est. Employment	Description
Food/Beverage	95	Coffee, spring water, several micro-breweries, cider and meat packing
Wood/Wood Products	140	Hardwoods, dowels, millwork, baseball bats and cabinets
Paper Products	65	Gift/setup boxes
Printing	20	Print shops supported by a number of design service companies
Chemical/Pharmaceutical	35	Fertilizer, veterinary pharmaceuticals, and soaps
Plastics/Rubber	360	Disposable lab products and precision molding operations
Glass, Clay and Concrete	120	Stone, concrete, block and ceramics
Fabricated Metal Prods.	45	Metal stamping and machining, precision machining, plastic molds
Machinery	85	Farm and road machinery, aerosol machinery, etc.
Computers/Electronics	175	Capacitors, transmitters, printer cartridges, optical devices, comun. equip.
Transportation Equip.	75	Mobile medical equipment vehicles with Siemens medical OEM presence
Apparel	25	Ball caps, equestrian/fitness wear, leather accessories

## 2. Profile of Otsego County’s Current Situation (cont’d)

**Figure 4 – Current Size of Local Industry Employers vs. Year Established**

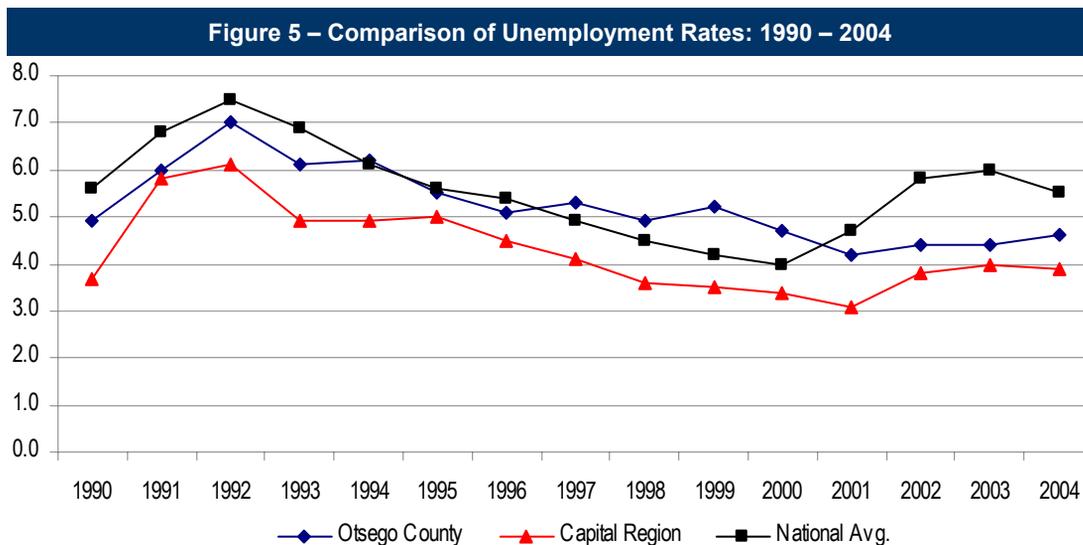


- This data does not include retail or government-related employers
- Since 1975, approximately 80% of the companies established within the community have an employment level of 20 or less, 16% have employment between 20 to 40, and 4% between 40 to 60
- The largest employers have been in the community over 75 years
- There are a number of smaller employers that have been in the community between 50 and 150 years
- Georgia-Pacific plant (~150 employees) and Valley Fashion Apparel (~100 employees) have both been shut down

## 2. Profile of Otsego County's Current Situation (cont'd)

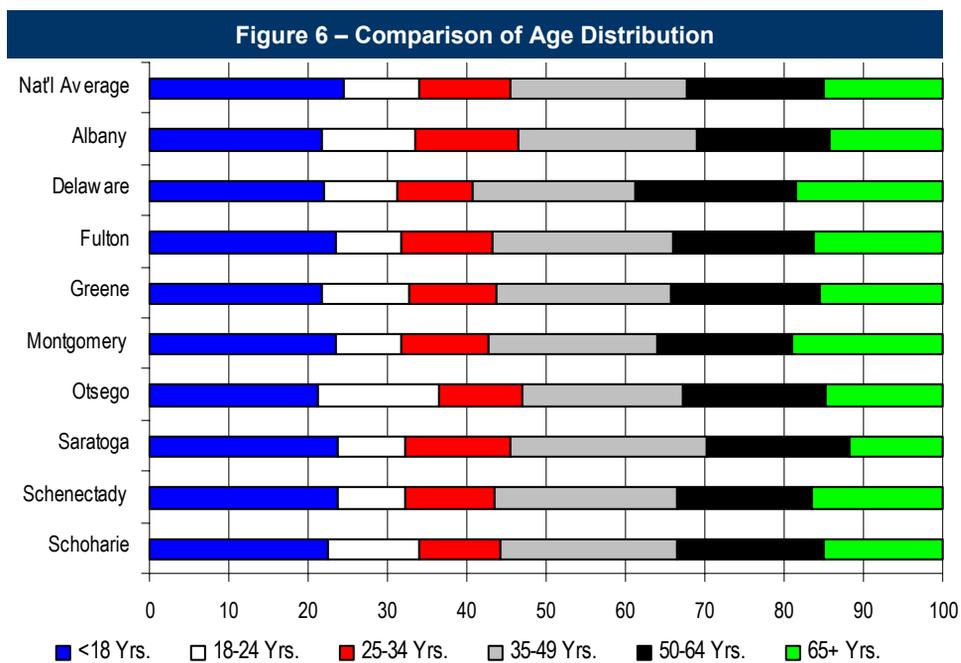
### Unemployment Rate

Unemployment rates for the county have stayed relatively low and steady over the past five years. The recent recession had minimal impact on the overall unemployment although as some manufacturing jobs were lost, it is quite possible there was a rise in under employment.



### Age Distribution

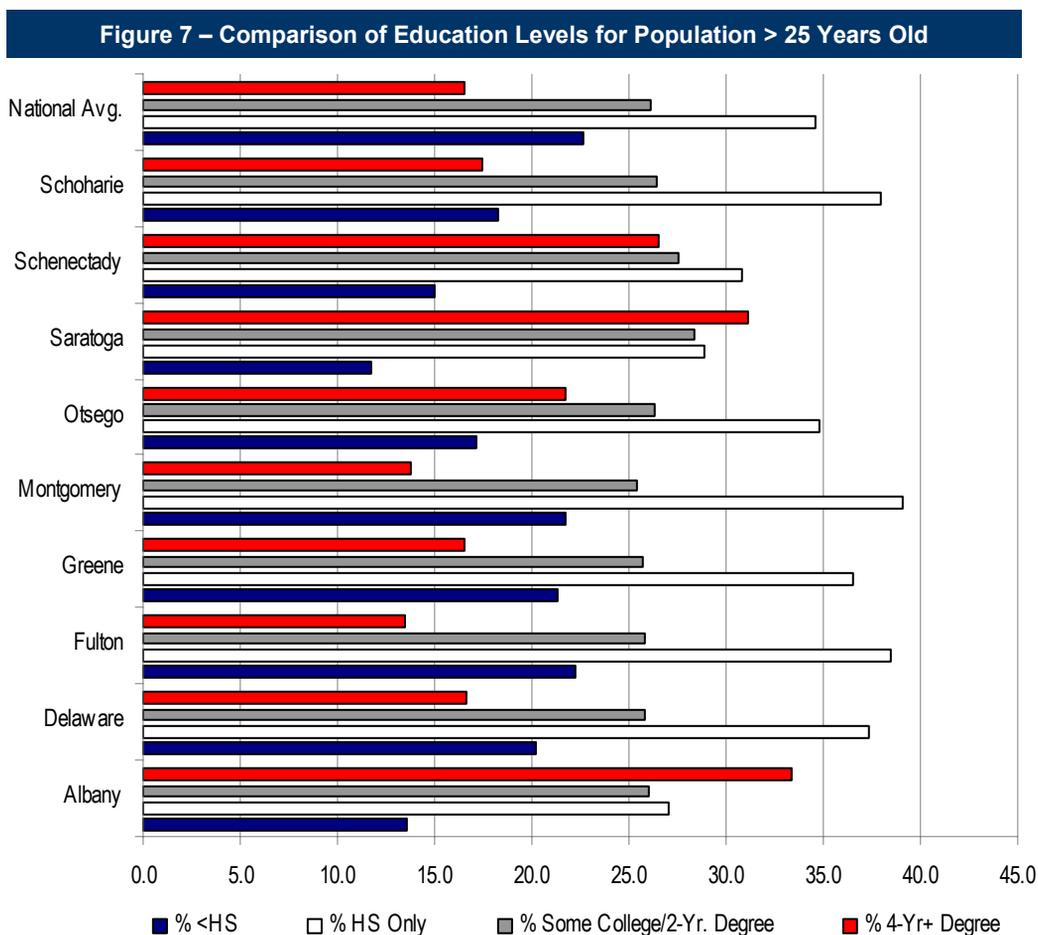
Due to the two colleges, Otsego County has a high proportion of 18-24 year olds in their population and an overall age profile that is similar to national average. Other rural counties have a larger senior population (> 65 years old)



## 2. Profile of Otsego County’s Current Situation (cont’d)

### Education Levels of Local Population > 25 Years Old

Otsego County has a population with higher four-year degrees and lower less than high school degrees that the other rural counties in the region.



## 2. Profile of Otsego County’s Current Situation (cont’d)

### Education Resources

Locally, there are programs at each area college focusing on Business/Accounting, Computer Science and other IT disciplines as well as the Sciences. There is no engineering at the four-year level, however, there is a potential to recruit from the Capital Region (RPI and Union College) or from Binghamton (SUNY – Binghamton)

**Figure 8 – Local Education Resources**

College/University	Students	Academic Programs			
		Business/Accounting	Comp. Science & Info. Tech.	Electrical/Mechanical Engineering	Chemistry & Biology
<b>Two-Year Colleges</b>					
SUNY College of Technology at Delhi	2,000	X	X	X	X
<b>Four-Year Colleges</b>					
SUNY College Ag & Tech at Cobleskill	2,500	X	X		X
SUNY College at Oneonta	5,200	X	X		X
Hartwick College	1,300	X	X		X

### Cost and Availability of Real Estate

There are several industrial buildings available – one in the Pony Industrial Park (south side of Oneonta) and one along River Street on the east side of Oneonta. There are two established industrial parks including the Pony Industrial Park in Oneonta and the other in Richfield Springs off U.S. Route 20. Office space throughout the county is limited with no typical class A or B office buildings available. The basis for making a formal real estate cost analysis is relatively limited but in general would be comparable to the region.

#### Considerations for the size and location of land:

- Availability of flat land of 10 to 100 acres in size (they are limited due to the topography in the county)
- Access to the interstate (within 5 miles if possible)
- Truck routing/employee commute patterns through populated areas
- Quality of road access (width of road, hills/curves (overall safety of travel), bridge capacities and clearances, etc.)
- Access to utilities (public water and sewer, high speed telecom, electricity, gas, etc.)

### Location of Empire Zones

Currently, three are Empire Zone sites: (1) Pony Industrial Park, (2) land designated in the Town of Laurens and (3) land in Richfield Springs. If the state requirements to have an Empire Zone located on contiguous properties is mandated in the county, the available sites will be limited.

## 2. Profile of Otsego County’s Current Situation (cont’d)

### Cost of Labor

Local labor costs were determined based on selected job classifications for both the Binghamton and Capital Region markets. Overall, the annual mean compensation is lower than New York State and national averages except for Customer Service Representatives.

Figure 9 – Comparative Cost of Labor				
Job Title	Binghamton	Albany Area	New York State	National Average
Team Assembler	\$20,470	\$20,980	\$25,720	\$23,620
Machinist	\$33,510	\$33,860	\$34,790	\$34,270
Customer Service Rep.	\$30,750	\$30,430	\$29,130	\$33,990
Registered Nurse	\$40,680	\$49,640	\$54,210	\$60,680
Electrical Engineer	\$68,530	\$68,370	\$74,220	\$77,230

### Interviews With Local Employers

A series of interviews were conducted with about a dozen local employers to gain their insights into why businesses are located in the county. A summary of the results is as follows:

#### Why Businesses Have Located in the County

A majority of the local manufacturing businesses have located in the county either because their owners were from the area (Otsego or adjacent county) or from the New York City, Long Island and New Jersey areas and relocated to the county for quality of life reasons. From a resource perspective, operating costs (real estate and labor) are reasonably competitive for U.S. standards particularly when productivity and work ethic are incorporated into the analysis. Companies gave the quality of the work force high marks but have a challenge at times in recruiting engineers and other specialized technical talent into the area. As the economy continues to transition to a stronger service economy, there has been a loss of the number of workers with manufacturing expertise and interest. Also, being close to an interstate is an important advantage.

#### Business Environment

Taxes and other state-imposed programs (such as healthcare and Workers’ Compensation) were considered somewhat high. As long as the company can maintain a reasonable level of competitiveness, operating cost is out-weighted by the desire to enjoy the high quality of life. However, it does demonstrate that the County would have a higher potential of attracting businesses that understand the challenges vs. opportunities of being in New York State.

## 2. Profile of Otsego County’s Current Situation (cont’d)

### Evaluation of Available Resources

Figure 10 – Evaluation of Resources		
Resource	Strengths	Weaknesses
Labor	Well educated for rural area with strong work ethic, continuous improvement culture and ability to work well in teams. Cost of labor competitive for Northeast.	Technical work force is aging and jobs for new graduates are limited.
Transportation Access	Direct access to I-88 with 10 exits within the county. Northern sections (off US Route 20) have access to the NYS Thruway via two-lane highway. There is also rail access in the Oneonta area. Air access in Binghamton is 40 minutes away.	Access to a major regional airport in Albany is about 75 minutes away
Land/Buildings	Several industrial buildings available if they can be adapted to other operations and several developed building sites in Oneonta and Richfield Springs.	No significant available office space for non-industrial operations (e.g., back office or software development). Need flexible space for expanding small businesses.
Telecom	Access to high speed telecom along the I-88 corridor and within the Villages of Cooperstown and Edmeston.	Limited access to high speed telecom in other locations within the county.
Education/Training	Local four-year colleges primarily Liberal Arts programs. Two-year college in nearby Delhi and Cobleskill. Other training through BOCES, Oneonta Job Corps Center, The Otsego Area Occupational Center, The Telecenter and The ARC.	College level technical education is limited to SUNY-Delhi located 15 miles to the east of Oneonta and some courses at SUNY-Cobleskill to the north.
Incentives	County currently has three Empire Zone locations: Oneonta (Pony Industrial Park) and in the Towns of Laurens and Richfield Springs.	If NYS mandates Empire Zones to be on contiguous parcels, the county will lose some key sites.

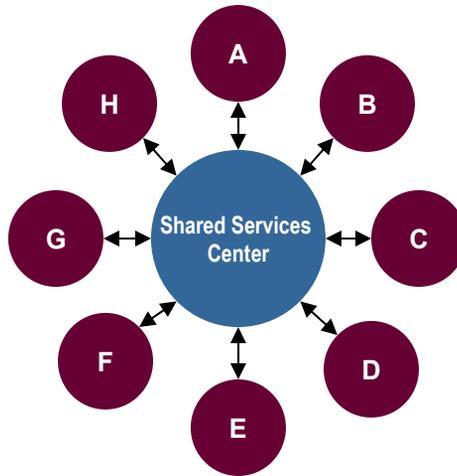
## 2. Profile of Otsego County’s Current Situation (cont’d)

### Enhancing Local Resources

1. Develop a pooled shared services group that offers services to existing small businesses as a means of optimizing costs and offer to prospects coming to the county as a unique small-business solution.

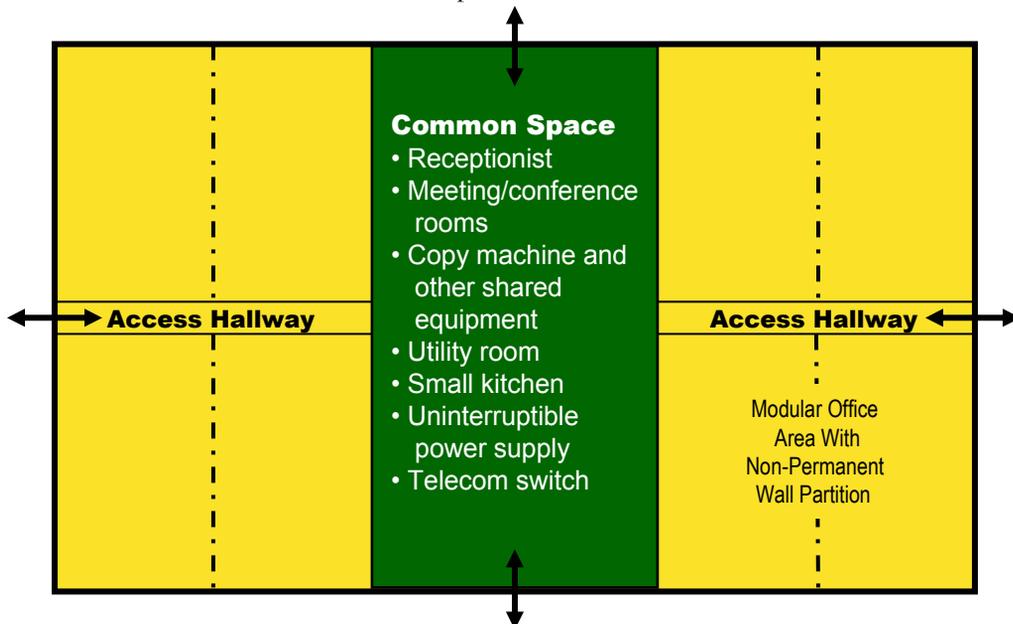
**Shared Services Include:**

- Human Resources
  - Payroll
  - Recruiting
  - Job classification
  - Training needs assessment
  - Other functions
- Accounting
- Information Technology (IT)
- Marketing Support
- Sales Support
- Clerical Services
- Warehousing/Shipping
- Other Service Needs
  - Legal services
  - Financial services



Local small businesses can take advantage of the cost effectiveness of a Shared Services Center

2. Consider the construction of flexible office space as noted below.

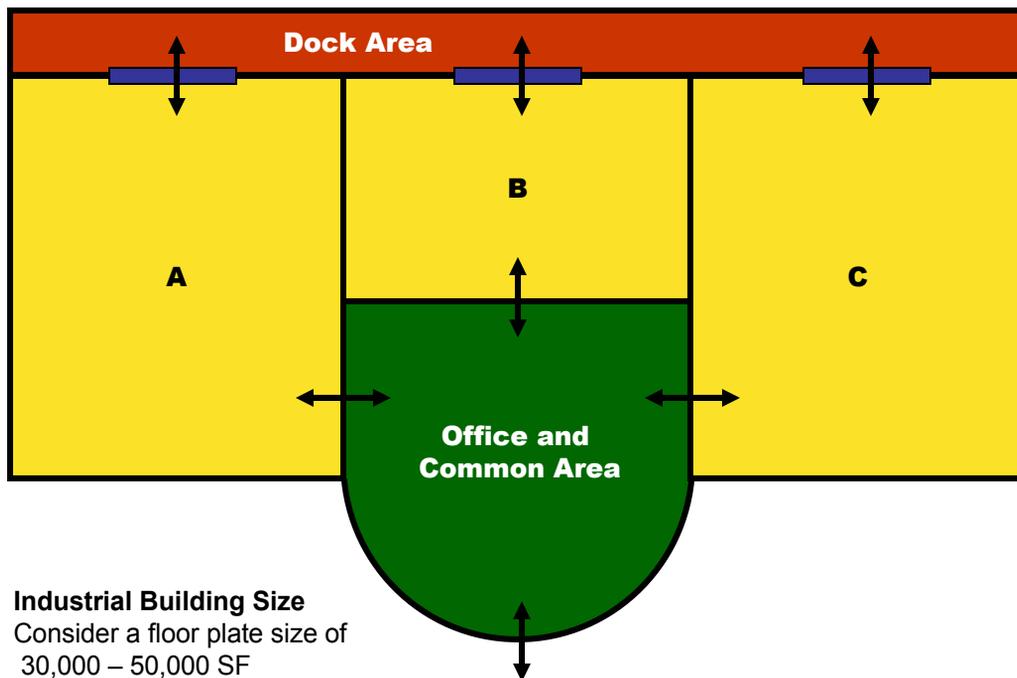


Consider a floor plate size of 25,000 – 30,000 SF.

## 2. Profile of Otsego County’s Current Situation (cont’d)

### Enhancing Local Resources

3. Consider the construction of flexible manufacturing space.



#### Office and Common Area Would Include:

- Individual office space
- Receptionist
- Meeting and conference rooms
- Copy machine and other shared equipment
- Utility room
- Break room/cafeteria
- Locker room for workers

#### Modular Manufacturing Space (A, B and C)

The modular manufacturing area would be open high bay area with high floor loads and dock access with roll-up doors at back

### 3. Review County Vision and Goals for Economic Development

#### Feedback From Stakeholders

Two community stakeholder meetings were held on June 29, 2005, to gather feedback from different perspectives within the county. A series of topics were discussed and a summary of the information collected is as follows:

#### Memorable Events in the History of the County

- Loss of hops farming (which was a major cash crop for Central New York State) in the early 1900's due to a crop disease and competition from the west had a major economic impact
- Impact of transportation systems on the county
  - Erie and other canal systems in the early 1800's
  - Rail access in the mid-1800's brought vacationers/tourists from New York City and the ability to ship products to other areas
  - The building of the world's largest roundhouse in 1906 provided many jobs through the 1940's
  - New York State Thruway in the mid-1950's drew traffic from Route 20 corridor
  - Construction of I-88 in the 1980's drew local traffic away from Route 7 but made the area much more accessible
- Dairy industry ramped up in the early 1900's to displace the ailing hops crop
- The loss of Georgia-Pacific plant in the early 1990's with ~150 jobs was a wake-up call that large industry may not be able to survive in the county over time
- Tourism has been stimulated over the years with the establishment of the Baseball Hall of Fame in the 1930's, the James Fenimore Cooper and Farmers Museums, the Glimmerglass Opera, and the sulfur baths in Richfield Springs
- More recently, the Soccer Hall of Fame and the Dreams Park baseball facility have added further tourism activity
- The Clark family came to Cooperstown in the mid-1800's and has made many contributions to the growth and well-being of the community

#### How Would You Rate the Local Economy?

The stakeholders viewed the strength and outlook of their economy as a "7" out of "10" – interpreted as cautious optimism with some specific concerns:

- Employment for spouses and children is limited
- Average pay levels are relatively low
- On-going/long-term concern for global competition
- Recent survey of residents noted that ~20% thought they were at risk at losing their jobs in the next six months

### **3. Review County Vision and Goals for Economic Development (cont'd)**

#### **Feedback From Stakeholders**

##### The Value of the Colleges to the Area

- Source of good jobs . . . stability to the local economy
- Provide culture and spectator sports activities for the community
- Additional facilities for use by the community
- Students impact local economy in their purchases and as a part-time labor force

##### Importance of Manufacturing Segment

- Higher paying jobs than the service sector
- Contribute a significant portion of taxes

##### Why are Businesses Attracted to the Area?

- Low operating cost
- Owners interest in local quality of life
- Affordable/safe place to live
- Small town environment but still access to major metro areas (NYC and Albany)

##### What Attributes Does it Take for a Business to be Sustainable?

- Their ability to adapt to change and new opportunities
- Provide R&D function to identify new products and process improvements

##### What do You Think are the Opportunities for Economic Development?

- Identify additional businesses that can offer products and services to the tourist activity related to the museums, opera and the Baseball and Soccer Halls of Fame
- Expand the food/agriculture market with the production, processing and distribution of organic/natural foods
- Seek out additional New York City businesses that may want to relocate to the county
- Provide core back office services to local small businesses (HR, accounting, marketing, IT) to make them more cost effective and provide as part of an incubator for local startup businesses
- Expand/leverage the medical services opportunities within the region
- Leverage the existing manufacturing businesses in the area (e.g., help them expand, attract their suppliers or business partners, etc.
- Continue to seek out niche high-end manufacturing operations

#### **4. Identification of Target Industries, Types of Operations and Companies**

Specific economic development opportunities were identified based on the following input:

- Assessment of existing industries based on type, size and time within the community
- Discussions with county stakeholders
- Objective review of resource assets by MS&B vs. the needs of specific industries, types of operations and positioning within the business life cycle (startups vs. high growth vs. mature stages)

In evaluating the input, several common themes were evident:

- The community has a strength in supporting small businesses (<60 employees)
- Most companies are owned locally and owners have located here due to unique quality of life
- There is a wide diversity of industry representation . . . not a few well-defined clusters
- Technology, agriculture and tourism represent key drivers of opportunity

**4. Identification of Target Industries, Types of Operations and Companies (cont'd)**

Target Opportunity No. 1	Technology Manufacturing
<b>Discussion of Potential</b>	<p>This is an opportunity to leverage existing electronics, materials (plastics) and machining companies to attract newer technology being developed in the Capital Region, NYC area and New Jersey. The primary drivers will focus around quality of life (small town or country properties) and the relatively low cost of business. Specific types of businesses include:</p> <ul style="list-style-type: none"> <li>• Medical instruments</li> <li>• Prosthetic devices with special alloys, composites and plastics</li> <li>• Micro and nano-scale materials, instruments, drug delivery systems, etc.</li> <li>• Materials, components and instruments related to energy generation</li> </ul>
<b>Local Economic Impact</b>	<p>May result in 2-5 companies with 10 – 50 employees each with good labor and technician jobs</p>
<b>Resource Requirements</b>	<ul style="list-style-type: none"> <li>• Technically skilled labor (high school and two-year college grads with experience/skills related to computer controlled process equipment, machining, assembly, quality control. etc.)</li> <li>• Flexible industrial and office space (2,500 to 20,000 SF) at a low cost (\$8 to \$12/SF)</li> <li>• Access to financial resources for startup activities and operating capital</li> <li>• Access to locally-available low cost shared services (accounting, sales support, customer service support, HR recruiting and administration, IT support, etc.</li> <li>• Utilities: power, water, sewer and broadband telecom</li> </ul>
<b>Growth Strategy</b>	<ul style="list-style-type: none"> <li>• Build the Otsego County area into a technology manufacturing center that serves the Capital Region and the NYC area leveraging the existing skill base and augmented through coursework at local training resources as we as SUNY Cobleskill and Delhi.</li> <li>• These types of operations need relatively small facility foot prints and will fit well with the community and its culture.</li> <li>• This opportunity will focus on small companies rather than the 1 or 2 mega manufacturing plants</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Build a reputation of supporting the smaller high-tech companies by providing an inventory of existing tech-related companies and demonstrating the facilities and services available that are tailored to smaller tech companies.</li> <li>• Develop a pdf-based brochure focused on small tech companies</li> <li>• Communicate with NYS and Capital Region/Tech Valley economic development on Otsego’s resources</li> <li>• Submit articles in NYC and Capital Region business publications regarding Otsego County’s capabilities</li> <li>• Sponsor a seminar/recreation activity for small business entrepreneurs</li> <li>• Stay in touch with tech activities at RPI and SUNY-Albany</li> </ul>

**4. Identification of Target Industries, Types of Operations and Companies (cont'd)**

Target Opportunity No. 2	Specialty Food and Beverage: grow, process and distribute
<b>Discussion of Potential</b>	There is a growing demand for organically-grown foods and unique healthy beverages as well as nutraceuticals (food with therapeutic value). Significant activities on-going in this field at Cornell University in their Agricultural Experiment Station in Geneva, NY and research in Ithaca, NY as well as at Cornell's Weill Medical College in New York City. The objective is to produce high value crops and products that can be sold directly to the marketplace and reduce the local dependence on commodities with their low margins and price fluctuations.
<b>Local Economic Impact</b>	May result in several farms becoming significant producers of specialty products for NYC and other major metro areas. There are employment opportunities in the processing and distribution of final products with a potential for 20 – 100 jobs within several small companies.
<b>Resource Requirements</b>	<ul style="list-style-type: none"> <li>• Progressive and entrepreneurial farmers and small business owners</li> <li>• Flexible manufacturing/distribution space at a low cost</li> <li>• High speed internet for marketing products</li> <li>• Access to grants and investment capital for startup activities</li> <li>• Labor requirements for high school and two-years of college with experience in process machinery, packaging technology, quality control and related skills.</li> </ul>
<b>Growth Strategy</b>	<ul style="list-style-type: none"> <li>• Review business opportunities from Organic Trade Organization: <a href="http://www.ota.com/index.html">http://www.ota.com/index.html</a></li> <li>• Sponsor a local college intern to engage in research to identify existing research activities, successful operations around the county and marketing channels</li> <li>• Then sponsor a seminar on organically grown food and invite local farmers that may have a potential interest in the venture</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Once the farmers have an interest in the potential venture, begin marketing the area to potential food processors that would locate in the area.</li> </ul>

**4. Identification of Target Industries, Types of Operations and Companies (cont'd)**

Target Opportunity No. 3	Software Development Firms
<b>Discussion of Potential</b>	Supporting the diversity of technology and commercial activity within the Hudson Valley and Capital Region will require significant software development that could be contracted to smaller regional firms. The Otsego County area could be marketed as a high quality of life location with direct access to programmers/IT students attending local colleges.
<b>Local Economic Impact</b>	May result in several software firms with 2 – 25 employees each that could further expand as the community reaches a critical mass of programmers and companies.
<b>Resource Requirements</b>	<ul style="list-style-type: none"> <li>• Flexible office space (\$10– 16/SF)</li> <li>• Informal meeting places to discuss and collaborate</li> <li>• High speed internet access</li> <li>• Access to programmers and systems specialists (SUNY Oneonta, Hartwick and SUNY Cobleskill all have programs)</li> </ul>
<b>Growth Strategy</b>	<ul style="list-style-type: none"> <li>• Begin building a critical mass of software developers by understanding the need for software development within the Capital Region and the level of talent that is being generated locally.</li> <li>• Sponsor local interns from computer science and communications to research the software development activities within the Capital Region. Utilize a consultant to guide their activities and structure a formal report and recommendations. Identify business needs, facility requirements and longer range demand.</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Distribute a pdf-based brochure and articles outlining the labor, facility and quality of life opportunities within Otsego County for small IT companies.</li> </ul>

**4. Identification of Target Industries, Types of Operations and Companies (cont'd)**

Target Opportunity No. 4	Alternative Energy Industries
<b>Discussion of Potential</b>	As the price of fossil fuel continues to rise, the impact on farmers and smaller rural communities goes up drastically due to inelastic farm prices and lower incomes in rural areas. It is critical for rural areas to take advantage of the available waste products, wood fiber, wind and other alternative energy sources to reduce energy costs. Otsego County is a prime location to establish a pilot program to incorporate multiple energy sources into a rural energy strategy. The federal government has already targeted the rural sector as noted in the attached web site: <a href="http://www.eere.energy.gov/biomass/pdfs/farmerfactsheet.pdf">http://www.eere.energy.gov/biomass/pdfs/farmerfactsheet.pdf</a>
<b>Local Economic Impact</b>	The alternative energy initiative can potentially bring the following value: <ol style="list-style-type: none"> <li>1. Bring in energy systems vendors with technical jobs</li> <li>2. Reduce the local energy costs</li> <li>3. Build the reputation of the area as energy self-sufficient to attract other small business entrepreneurs</li> <li>4. Provide a source of federal grants for R&amp;D activities</li> </ol>
<b>Resource Requirements</b>	<ul style="list-style-type: none"> <li>• Land and facilities for energy businesses</li> <li>• Local culture that supports the initiative</li> <li>• Access to technology and R&amp;D in materials, combustion and biofuels at RPI and Cornell University</li> </ul>
<b>Growth Strategy</b>	<ul style="list-style-type: none"> <li>• Build an energy industry critical mass leveraging agricultural/small-city access and the presence of selected energy systems companies and service providers</li> <li>• Let the potential service providers be the catalyst for stimulating local growth</li> <li>• Identify land parcels throughout the county for placing energy operations</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Need to build community consensus by sponsoring a community information meeting and inviting energy vendors (biomass, wind, etc.) to make presentations to the community</li> </ul>

**4. Identification of Target Industries, Types of Operations and Companies (cont'd)**

<b>Target Opportunity No. 5</b>	<b>Other Manufacturing: plastics, wooden items, metalworking, etc.</b>
<b>Discussion of Potential</b>	Leverage existing industry presence and attract other business owners to the area that are engaged in plastics molding operations, specialty wood items and metal-working operations
<b>Local Economic Impact</b>	May provide an additional 2-5 companies with ultimately 10 – 50 employees each
<b>Resource Requirements</b>	<ul style="list-style-type: none"> <li>• Flexible space for manufacturing and small office (\$8-12/SF)</li> <li>• Access to labor with machine operation skills</li> </ul>

<b>Target Opportunity No. 6</b>	<b>Specialty Distribution Operations (may be shared distribution space )</b>
<b>Discussion of Potential</b>	Since flat land is a premium, set aside a nominal amount of land (10 – 20 acres) and a building site for 100,000 SF facility for selective distribution operations
<b>Local Economic Impact</b>	The operation can contribute to the tax base while providing 10 – 50 moderate level jobs.
<b>Resource Requirements</b>	<ul style="list-style-type: none"> <li>• 10 – 20 acres of developed land</li> <li>• High speed telecom for internet access</li> <li>• Access to moderate skilled labor</li> </ul>

<b>Target Opportunity No. 7</b>	<b>Tourism Support Goods: silkscreen or embroidered shirts &amp; ball caps, printed materials (posters and booklets), other related goods for baseball and soccer tourists and via the internet</b>
<b>Discussion of Potential</b>	Leverages the 400,000+ tourists that come through the area each year with more sales of goods per capita and the additional revenue and jobs from local businesses
<b>Local Economic Impact</b>	Opportunity for 2-5 more companies with 5-25 employees each
<b>Resource Requirements</b>	<ul style="list-style-type: none"> <li>• Manufacturing and small office space (low end renovated space)</li> <li>• Artisan skills</li> <li>• Capital/loans to build businesses</li> <li>• High speed telecom for internet access</li> </ul>

**4. Identification of Target Industries, Types of Operations and Companies (cont'd)**

<b>Target Opportunity No. 8</b>	<b>Education Experiences: adult learning</b>
<b>Discussion of Potential</b>	As the “Boomer Generation” enters the “empty nester” life phase some have a strong interest in continued learning . . . particularly in the arts, history and travel-related. The Museums in Cooperstown, the Glimmerglass Opera and the colleges could package “intellectual adventures” for people to attend lectures, do research on a favorite topic and engage in aesthetic arts activities.
<b>Local Economic Impact</b>	Attraction of high income, highly educated “tourists” that have the resources to support local activities and start businesses.
<b>Resource Requirements</b>	Leverage existing resources

### 5. Identification of Locations Within the County to Target Growth

Identification of locations within the county that would be strategic targets for growth are those that have access to the following resources:

- Interstate highway
- Highest concentrations of labor
- High speed telecom
- Water and Sewer
- Flat land

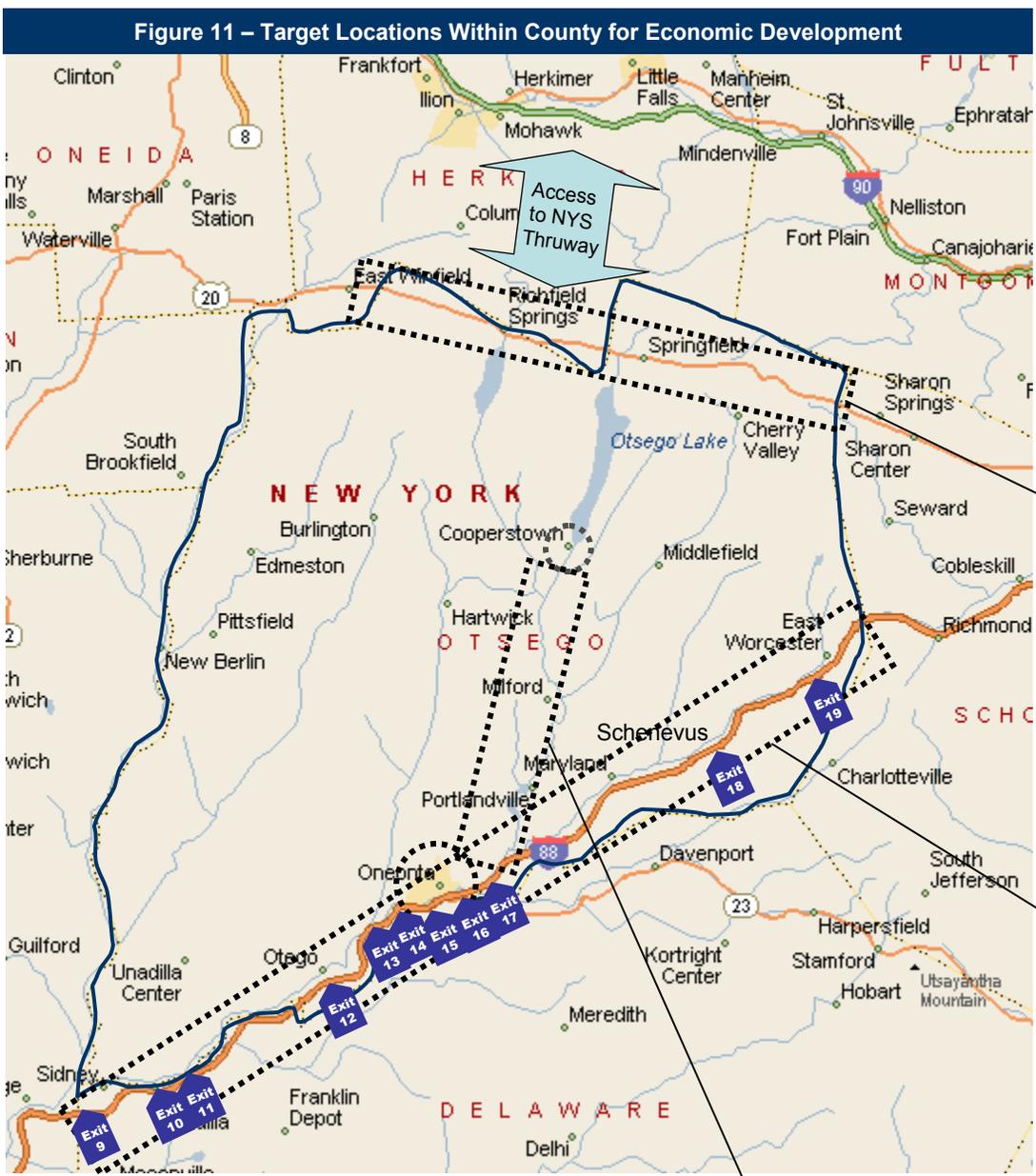


Figure 11 – Target Locations Within County for Economic Development