

**CITY OF OLEAN BROWNFIELD OPPORTUNITY AREA
TARGET INDUSTRY ANALYSIS,
BUSINESS RECRUITMENT STRATEGIES, and
ORGANIZATIONAL RECOMMENDATIONS**

Prepared For:

The City of Olean NY

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City of Olean Brownfield Opportunity Area Target Industry Analysis, Business Recruitment Strategies and Organizational Recommendations

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TARGET INDUSTRY ANALYSIS

CITY OF OLEAN BROWNFIELD OPPORTUNITY AREA (BOA)

Vision for the Olean BOA

“The Olean Northwest Quadrant Revitalization Area aspires to be one of the region’s nationally competitive employment centers, providing high quality jobs across a diverse base of advanced manufacturing and technology. The following strategies are core to the success of this vision:

- *Remediate and reuse brownfield sites for their highest and best use as determined by their location, market conditions, and community input.*
- *Establish a regulatory framework consistent with New York State Smart Growth Principles, allowing for the efficient review and approval of development while ensuring a high quality built environment.*
- *Stabilize neighborhoods in the study area by investing in infrastructure, infusing housing types attractive to a range of ages and incomes.*
- *Advance design principles supportive of health living and high quality of life, including a safe and connective street system with pedestrian facilities that support non-motorized trips to employment, downtown and recreational resources.”*

Introduction

The Vision Statement provides a clear understanding of the goals Olean wants to achieve in the Northwest Quadrant Revitalization Area in the future. The Olean BOA has a diverse base of industries, a strong employment base and other assets from which to grow. These underlying fundamentals provide a solid base from which the BOA can undergo revitalization and achieve economic development growth, added investment, and increased jobs in the future.

Additionally, the BOA benefits from the many diverse stakeholders from the community, county and the state that are interested in helping the BOA realize its vision.

One of the best means Olean and its stakeholders can undertake to increase its economic and employment base is to recruit new industries and jobs to the BOA, retain the businesses that it has and support internal expansions and entrepreneurial growth. The latter is of utmost importance because oftentimes 70% or more of new jobs and investment in an area comes from internal expansions.

Target Industries

Recruiting new industries and retaining and growing existing industries are the foundation of economic development. In order to achieve this in Olean, a targeted, focused approach must be implemented. Undertaking a targeted approach will ensure that the industries that are most likely to find the community and BOA competitive and attractive, with the greatest likelihood of responding to marketing and industry recruitment programs, are the focus of attention.

This target industry analysis identifies those industries that the City of Olean should target for jobs and investment in the City of Olean BOA in the future. Herron Consulting, a sub consultant to Bergmann Associates, completed this target industry analysis and its recommendations. We conducted this analysis from the perspective of a corporate site selector, drawing upon our industry knowledge and experience obtained from conducting site selection programs for manufacturing, headquarters and office operations, life sciences, warehousing/distribution and other industries, and working with communities on economic development strategies.

In this analysis, we:

- Evaluate the current industry mix (industrial base) in the City of Olean, Cattaraugus County, and the five-county region studied by Camoin Associates in the Market Analysis. The counties in the region are Chautauqua, Cattaraugus and Allegany in New York and Mercer and Potter in Pennsylvania. The industries in the City, County and region will provide the foundation for the local economy, and are reflected in the data that investors typically will review before making their investment decisions.
- Assess the appropriateness of other industries for targeting for jobs and investment, considering location quotients, location criteria, growth rates, wages, diversification possibilities, skill requirements, new economy orientation, export base, and the types of companies currently located in the community.
- Embrace those industries that are reflective of the “Vision for the Olean BOA.” De-emphasize those industries, such as chemical manufacturing and oil and gas related industries, we believe are not appropriate for the BOA due to noise, type of industry, lack of appropriate buildings and sites, environmental concerns, etc.
- Identify four target industry clusters that the City of Olean should focus on as preferred targets to achieve enhanced growth and development in the BOA in the future. Each cluster is composed of several recommended individual industries, defined by NAICS code.
- Analyze why each cluster was selected and why the City of Olean BOA is a good fit for economic development and marketing purposes.
- Identify realistic target industry recruitment strategies for the City of Olean and stakeholders to implement to attract the recommended target industries to the BOA.

An overview of our findings and recommendations are included in this report.

Data Source and the City of Olean BOA

Economic Modeling Specialists, Inc. (EMSI) is the primary source of data used in the target industry analysis. EMSI is the same data provider referenced and used by Camoin Associates in the City of Olean Brownfield Opportunity Area (BOA): Market Analysis. The EMSI Complete Employment Data Set are based upon information from several government sources, including the most recent data compiled by the U.S. Census Bureau, U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, U.S. Department of Health, and the New York Department of Labor. EMSI uses specialized proprietary processes and models to estimate current statistics

and predict future trends. It is unique because the employment data generated includes the self-employed, part-time and seasonal workers.

For the purposes of the target industry analysis, zip code 14760, the zip code for the City of Olean which encompasses the BOA, is the most appropriate geography for analyzing the industrial base and recommending target industries and clusters.

Industry Mix

It is important to understand the industry mix in the City of Olean BOA, Cattaraugus County and the five county region because these form the foundation for the target industry analysis and recommendations.

The table on the following page shows the total number of employees who work in the City of Olean BOA, Cattaraugus County and the region, and provides specifics about the industrial composition of these businesses. The data are for 2013, the most recent year for which statistics are available.

Over 13,800 are employed in City of Olean BOA. Government is the largest employer, providing jobs to 20%, followed by manufacturing, 18%; retail trade, 17%; and health care and social assistance, 15%.

In Cattaraugus County, 31,760 are employed in the county. Once again, government is the largest employer, with over 31% working in government jobs. The next largest employment sectors are retail trade, nearly 13%; manufacturing, 11.4%; and health care and social assistance, 11.2%.

Nearly 127,240 work in the five county region. As in the Olean BOA and Cattaraugus County, government is the largest employer, providing jobs to over 21%. Like Olean, the sector with the next highest employment is manufacturing which employs over 15% of employees in the region. The next largest employment sectors are health care and social assistance, 13.5%, and retail trade, 11.5%.

Industries in the BOA, Cattaraugus County and the Region, 2013

NAICS	Industry	Olean BOA		Cattaraugus County		Region	
		Employees	% of Total	Employees	% of Total	Employees	% of Total
11	Agric, Fishing, Forestry*	15	0.1%	484	1.5%	2,012	1.6%
21	Mining, Quarrying	14	0.1%	113	0.4%	1,588	1.2%
22	Utilities	48	0.3%	94	0.3%	548	0.4%
23	Construction	241	1.7%	1,020	3.2%	5,109	4.0%
31-33	Manufacturing	2,511	18.2%	3,614	11.4%	19,332	15.2%
42	Wholesale Trade	364	2.6%	703	2.2%	2,601	2.0%
44-45	Retail Trade	2,381	17.2%	4,052	12.8%	14,622	11.5%
48-49	Transportation & Warehousing	171	1.2%	463	1.5%	2,657	2.1%
51	Information	168	1.2%	229	0.7%	1,493	1.2%
52	Finance & Insurance	425	3.1%	694	2.2%	2,348	1.8%
53	Real Estate	190	1.4%	260	0.8%	1,119	0.9%
54	Prof., Scientific & Technical Services	275	2.0%	628	2.0%	2,552	2.0%
55	Management Co. & Enterprises	200	1.4%	202	0.6%	663	0.5%
56	Admin Support, Waste Mangt., Remediation Services	290	2.1%	641	2.0%	4,335	3.4%
61	Education Services, Private	77	0.6%	970	3.1%	5,143	4.0%
62	Health Care & Social Assistance	2,082	15.1%	3,546	11.2%	17,147	13.5%
71	Art, Entertainment, & Recreation	39	0.3%	283	0.9%	1,352	1.1%
72	Accommodations / Food Services	899	6.5%	2,422	7.6%	9,488	7.5%
81	Other Services	609	4.4%	1,370	4.3%	5,748	4.5%
90	Government	2,794	20.2%	9,931	31.3%	27,262	21.4%
99	Unclassified	14	0.1%	41	0.1%	120	0.1%
	TOTAL	13,807	100.0%	31,760	100.0%	127,239	100.0%

* Agricultural employment data includes the self-employed, part-time and seasonal workers, and over-counting may result.

Source: EMSI Complete Employment Data

RECOMMENDED TARGET INDUSTRIES AND CLUSTERS

HERRON CONSULTING recommends specific target industry sectors for the BOA that the City of Olean should pursue to bring new jobs and investment to the community and the BOA. The industries are grouped into four clusters, based upon synergies between the target industry sectors. The recommended target industry clusters and sectors are:

- **Advanced Manufacturing**
 - Resin, Synthetic Rubber and Synthetic Fibers
 - Custom Compounding of Purchased Resins
 - Architectural and Structural Metals
 - Machine Shops
 - Other Fabricated Metal Products
 - Other General Purpose Machinery
- **Distribution and Warehousing**
 - Wholesale Trade, Durable and Non-Durable Goods
 - Warehousing and Storage
- **Professional Services/ Entrepreneurial Networked Professionals**
 - Management, Scientific, Technical Consulting Services
 - Other Professional, scientific, Technical Services
 - Management of Companies and Enterprises
- **Urban Agriculture/ Agribusiness**
 - Sugar and Confectionary Products
 - Fruit and Vegetable Preserving and Specialty Foods
 - Dairy Products
 - Bakeries
 - Other Food Products
 - Wineries

In addition to focusing on these target industries, Olean needs to take additional steps to develop and maintain quality of life amenities that make the community an attractive location for the target industries and other employers, residents and visitors. Examples of quality of life amenities are retail stores, restaurants, lodging facilities, recreational amenities and the performing arts.

REASONS FOR INDUSTRY TARGETS AND WHY THE OLEAN BOA IS A GOOD FIT

The foundation for this target industry analysis and recommendations is the confidential interviews Herron Consulting conducted with local stakeholders; public workshops in January 2013; the City of Olean Brownfield Opportunity Area (BOA): Market Analysis, completed by Camoin Associates; research; and data analysis. We also reviewed public documents, including the Greater Olean Area Chamber of Commerce Membership Directory, the Buffalo Niagara 2013 Economic Guide, completed by the Buffalo Niagara Enterprise; and the Industry Clusters in New York's Economy: A Statewide and Regional Analysis, completed by the New York State Department of Labor in October 2012. These provided the understanding of the City of Olean, Cattaraugus County and the region that we relied upon when identifying appropriate target industries.

Target Industry Criteria

The selection criteria used to identify the recommended target industries and clusters for the Olean BOA consider the following.

- **Location Quotients:** Indicator of the relative goodness-of-fit concentration of specific industry sectors in the Olean BOA, Cattaraugus County and the five county region. We evaluate location quotients based on sector employment in 2013 in existing industries, (i.e., Dresser Rand, Sol Epoxy and Cytex, etc.), the most recent year for which comparable statistics are available. A location quotient greater than 1.0 indicates the specific industry is generally more concentrated (employs a greater proportion of the workforce) than in New York State and/or the US. See Location Quotient table at the end of this section.
- **Local Presence:** Takes into consideration the types of industries that have started operations, but which are not reflected in the EMSI data.
- **Local Demand:** Supports demand for goods and services by local industries that are currently being supplied by companies outside the community.
- **Location Criteria:** How well the locational criteria of the industries match up with Olean's identified strengths and competitive advantages.
- **Growth Trends:** Past growth and likely future growth of the industry. We recommend industries we believe will grow in the future, after recovery from the sustained downturn in the local, national and global economy subsides.
- **Diversification of Existing Industry Base:** Targets must reflect a mix of diversified but synergistic industries which will bring new investment to Olean and the BOA, and help position them for even greater investment by other industries.
- **Wages:** The target industries should offer high value-added jobs with good wages.
- **New Economy:** The recommended industries offer opportunities for Olean to target industries that rely on technology; are new economy-oriented; and are heavily dependent on communication, networking and collaboration.

- **Export Industries:** The recommended target industries should export products and services to markets outside Olean and bring new wealth into the community.

The North American Industrial Classification Systems (NAICS) is the system used by the Federal statistical agencies for classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the US business economy. NAICS was developed by the Office of Management and Budget, and replaced the Standard Industrial Classification (SIC) system in 1997. It was jointly developed by the government agencies in Canada and Mexico so that there is a high degree of comparability in business statistics in the three North American countries.

NAICS codes are provided for the target industry sectors recommended for the Olean BOA.

RECOMMENDED TARGET INDUSTRY CLUSTERS AND SECTORS

The table which follows, Recommended Target Industry Clusters and Sectors, provides examples of products and/or services for each recommended industry sector and describes the supportive strengths for the industry in the City of Olean and the BOA.

Recommended Target Industry Clusters and Sectors for the Olean BOA

Target Industry Cluster and Sectors	Products / Services Examples	Local/ Regional Supporting Strengths For Advanced Manufacturing Cluster
1. Advanced Manufacturing		
<ul style="list-style-type: none"> Resins, Synthetic Rubber and Synthetic Fibers, NAICS 3252 	<p>Plastics materials and resins</p>	<p>Target industry of New York State and Buffalo-Niagara MSA</p>
<ul style="list-style-type: none"> Custom Compounding of Purchased Resins, NAICS 3259 	<p>Custom compounding of resins to make epoxy and other products</p>	<p>Growing base of industries to support advanced manufacturing in Olean</p>
<ul style="list-style-type: none"> Architectural and Structural Metals, NAICS 3323 	<p>Sheet metalwork and plate work, including architectural components and parts for ships, bridges, railcars, and reactor vessels.</p>	<p>Productive employees with strong work ethic in local 30 mile radius commute zone</p>
<ul style="list-style-type: none"> Machine Shops, NAICS 3327 	<p>Machine shops and precision turned products</p>	<p>Generates well-paying jobs</p>
<ul style="list-style-type: none"> Other Fabricated Metal Products, NAICS 3329 	<p>Ball and roller bearings, industrial valves, fluid power valves, small arms, pipe, safes/ vaults, foils/ containers</p>	<p>Access to global markets</p>
<ul style="list-style-type: none"> Other General Purpose Machinery, NAICS 3339 	<p>Air and gas compressors</p>	<p>Proximity to markets in US and Canada</p>
		<p>Highway and rail accessibility</p>
		<p>International airport in Buffalo</p>
		<p>Telecom infrastructure</p>
		<p>Existing sites suitable for these industries</p>
		<p>St. Bonaventure, Jamestown Community College and other colleges offer relevant courses/ degrees</p>
		<p>Jamestown Community College customized training and Dream It, Do It program</p>
		<p>Quality-of-life amenities</p>
		<p>County and state economic development incentives</p>
		<p>Machine shops support other manufacturing industries; an asset for business attraction</p>

Target Industry Cluster and Sectors	Products / Services Examples	Local/ Regional Supporting Strengths For Distribution/Warehousing Cluster
2 Distribution and Warehousing		
<ul style="list-style-type: none"> Wholesale Trade, Durable and Non-Durable Goods, NAICS 42 	<p>Industrial machinery, equipment, and supplies; farm equipment and supplies; groceries; clothing; household goods</p>	<p>Target industry of New York State Supports Buffalo-Niagara MSA's logistics target industry</p>
<ul style="list-style-type: none"> Warehousing and Storage, NAICS 4931 	<p>General, refrigerated and specialized warehousing</p>	<p>Growing base of industries to support distribution and warehousing in Olean Productive employees with strong work ethic in 30 mile radius local commute zone Generates well-paying jobs Access to global markets Proximity to markets in US and Canada Highway and rail accessibility International airport in Buffalo Telecom infrastructure Existing sites suitable for these industries Jamestown Community College offers relevant courses, degrees, and customized training Quality-of-life amenities County and state economic development incentives</p>

Target Industry Cluster and Sectors	Products / Services Examples	Local/ Regional Supporting Strengths For Professional Services/ Entrepreneurial Networked Cluster
3. Professional Services/ Entrepreneurial Networked Professionals		
<ul style="list-style-type: none"> • Management, Scientific, Technical Consulting Services, NAICS 5416 • Other Professional, Scientific and Technical Services (NAICS 5419) • Management of Companies and Enterprises (NAICS 55) • Entrepreneurial Networked Professionals (no NAICS available) 	<p>Management, marketing, logistics, environmental, scientific and technical consulting</p> <p>Marketing research and other miscellaneous services</p> <p>Corporate, subsidiary and regional managing offices</p> <p>Self-employed professionals, small business owners and independent performers. Willing to collaborate with other professionals on large projects. May work from non-traditional settings, including homes. Examples found in business consulting, performing arts venues, festivals and motion picture/video production. Engaged in providing technical expertise. Not included in typical industry paradigms.</p>	<p>Target industry of New York State and the Buffalo-Niagara MSA</p> <p>Productive employees with strong work ethic in 30 mile radius commute zone</p> <p>Generates well-paying jobs</p> <p>Access to global markets</p> <p>Proximity to markets in US and Canada</p> <p>Highway accessibility</p> <p>International airport in Buffalo</p> <p>Telecom infrastructure</p> <p>Colleges, universities, and community colleges offer relevant courses/ degrees</p> <p>St. Bonaventure, Jamestown Community College and other colleges offer relevant courses/ degrees</p> <p>Jamestown Community College offers customized training</p> <p>Quality-of-life amenities</p> <p>County and state economic development incentives</p>

Target Industry Cluster and Sectors	Products / Services Examples	Local/ Regional Supporting Strengths For Urban Agriculture / Agribusiness Cluster
<p>4 Urban Agriculture/ Agribusiness</p> <ul style="list-style-type: none"> • Sugar and Confectionary Products, NAICS 3113 • Fruit and vegetable preserving and specialty foods, NAICS 3114 • Dairy Products, NAICS3115 • Bakeries, NAICS 3118 • Other Food Manufacturing, NAICS 3119 • Wineries, NAICS 3121 	<p>Specialty and locally-produced food; organics; jams/ preserved products; chocolates; bakeries; dairy products; spices, wineries</p>	<p>Target industry of New York State and the Buffalo-Niagara MSA</p> <p>Responds to “locally-grown” trend which is increasing in importance</p> <p>Support for this industry from local farms, orchards, wineries, specialty food producers, specialty food stores, residents, businesses, colleges and visitors</p> <p>Available work force</p> <p>Supports green tourism industry and is a quality-of-life amenity</p> <p>Access to global markets</p> <p>Proximity to markets in US and Canada</p> <p>Highway and rail accessibility</p> <p>International airport in Buffalo</p> <p>Telecom infrastructure</p> <p>Colleges, universities, and community colleges offer relevant courses and degrees</p> <p>Adaptive reuse possibilities of buildings as they become vacant to urban agriculture facilities and used shipping containers to modular controlled environment sustainable “grow pods” (such as Pod Ponics in Atlanta Georgia (www.podponics.com))</p> <p>Other suitable existing buildings and sites</p>

Goodness-Of-Fit

The following table shows the location quotients in 2013 and 2023 for the selected industry sectors in the Olean BOA, Cattaraugus County and the five county region. Location quotients for the BOA and County have been calculated using existing and projected New York State employment as the base of comparison.

The location quotient for the five county region has been calculated using existing and projected employment in the U.S. as its base of comparison, since it consists of three counties in New York and two counties in Pennsylvania.

Location Quotients for Target Industries, 2013 and 2023

NAICS Code	Industry	Olean BOA State LQ		Cattaraugus County State LQ		Region National LQ	
		2013	2023	2013	2023	2013	2023
ADVANCED MANUFACTURING							
3252	Resin, Synthetic Rubber and Synthetic Fibers	3.41	n.a.	4.39	n.a.	.59	.26
3259	Custom Compounding of Purchased Resins	184.44	n.a.	160.61	n.a.	2.00	n.a.
3323	Architectural and Structural Metals	.73	1.25	.96	1.66	2.55	2.77
3327	Machine Shops	0.0	0.0	0.49	n.a.	1.91	2.40
3329	Other Fabricated Metal Products	7.61	10.61	3.38	4.68	5.22	4.65
3339	Other General Purpose Machinery	53.81	54.59	24.21	24.13	5.36	6.49
DISTRIBUTION / WAREHOUSING							
42	Wholesale Trade, Durable and Non-Durable Goods	.74	.77	.62	.69	.52	.54
4931	Warehousing and Storage	2.35	3.27	1.02	1.43	.15	.16
PROFESSIONAL SERVICES / ENTREPRENEURIAL NETWORKED PROFESSIONALS							
5416	Management, Scientific, Technical Consulting Services	.33	.43	.38	.49	.32	.34
5419	Other Professional, Scientific and Technical Services	.50	.52	.50	.53	.53	.55
5511	Management of Companies and Enterprises	1.03	1.13	.45	.50	.39	.38

Location Quotients for Target Industries, 2013 and 2023 (contd.)

NAICS Code	NAICS and Industry	Olean BOA State LQ		Cattaraugus County State LQ		Region National LQ	
		2013	2023	2013	2023	2013	2023
URBAN AGRICULTURE / AGRIBUSINESS							
3113	Sugar/ Confectionary Products	0.0	0.0	0.0	0.0	.56	.89
3114	Fruit/ Vegetable Preserving/Specialty Foods	n.a.	n.a.	n.a.	n.a.	7.44	7.40
3115	Dairy Products	0.0	0.0	.81	1.12	7.98	8.59
3118	Bakeries	2.65	2.08	1.36	0.92	1.82	1.83
3119	Other Food Products	0.0	0.0	1.05	n.a.	1.68	1.74
3121	Wineries	0.0	0.0	2.88	5.69	1.52	2.21

Source: EMSI Complete Employment Data

The tables on the following page, Recommended Target Industries: Earnings and Jobs, provide:

- Information about the target industry sectors in the Olean BOA, Cattaraugus County, the five county region and New York State, and
- An understanding about why the recommended target industries are selected.

As can be seen, the average earnings, which include benefits, indicate these industry sectors pay good wages. Additionally, employment is projected to increase in many of these industries between 2013 and 2023.

Recommended Target Industries: Earnings and Jobs – Olean BOA

NAICS Code	Industry Description	BOA 2013 Avg. Earnings	2013 Jobs	2023 Jobs	% Change
ADVANCED MANUFACTURING					
3252	Resin, Synthetic Rubber, and Synthetic Fibers	\$111,857	54	n.a.	n.a.
3259	Custom Compounding of Purchased Resins	\$88,839	59	n.a.	n.a.
3323	Architectural and Structural Metals	\$97,295	15	28	87%
3327	Machine Shops	n.a.	0	0	0
3329	Other Fabricated Metal Products	\$76,022	86	118	37%
3339	Other General Purpose Machinery	\$86,455	1,137	1,344	18%
DISTRIBUTION / WAREHOUSING					
42	Wholesale Trade, Durable and Nondurable Goods	\$52,957	364	368	1%
4931	Warehousing and Storage	\$42,895	68	98	44%
PROFESSIONAL SERVICES / NETWORKED ENTREPRENEURIAL PROFESSIONALS					
5416	Management, Scientific, Technical Consulting	\$61,932	38	60	58%
5419	Other Professional, Scientific, Technical Services	\$33,677	37	44	19%
5511	Management of Companies and Enterprises	\$35,632	200	227	14%
URBAN AGRICULTURE/ AGRIBUSINESS					
3113	Sugar and Confectionary Products	n.a.	0	0	0
3114	Fruit and Vegetable Preserving/Specialty Foods	\$14,946	n.a.	n.a.	n.a.
3115	Dairy Products	n.a.	0	0	0
3118	Bakeries	\$53,109	83	64	(23%)
3119	Other Food Products	n.a.	0	0	0
3121	Wineries	n.a.	0	0	0

Recommended Target Industries: Earnings and Jobs – Cattaraugus County

NAICS Code	Industry Description	Cattaraugus County 2013 Avg. Earnings	2013 Jobs	2023 Jobs	% Change
ADVANCED MANUFACTURING					
3252	Resin, Synthetic Rubber, and Synthetic Fibers	\$111,857	54	n.a.	n.a.
3259	Custom Compounding of Purchased Resins	\$88,839	59	n.a.	n.a.
3323	Architectural and Structural Metals	\$97,362	44	85	93%
3327	Machine Shops	\$49,954	24	n.a.	n.a..
3329	Other Fabricated Metal Products	\$75,789	88	120	36%
3339	Other General Purpose Machinery	\$85,619	1,176	1,359	16%
DISTRIBUTION / WAREHOUSING					
42	Wholesale Trade, Durable and Nondurable Goods	\$49,282	703	757	8%
4931	Warehousing and Storage	\$42,895	68	98	44%
PROFESSIONAL SERVICES / NETWORKED ENTREPRENEURIAL PROFESSIONALS					
5416	Management, Scientific, Technical Consulting	\$61,257	100	155	55%
5419	Other Professional, Scientific, Technical Services	\$31,472	86	101	17%
5511	Management of Companies and Enterprises	\$35,632	202	230	14%
URBAN AGRICULTURE / AGRIBUSINESS					
3113	Sugar and Confectionary Products	n.a.	0	0	0
3114	Fruit and Vegetable Preserving/Specialty Foods	\$14,946	n.a.	n.a.	n.a.
3115	Dairy Products	\$33,144	24	33	38%
3118	Bakeries	\$51,056	98	65	(34%)
3119	Other Food Products	\$24,905	22	n.a.	n.a.
3121	Wineries	\$89,380	60	107	78%

Recommended Target Industries: Earnings and Jobs – 5 County Region

NAICS Code	Industry Description	Region 2013 Avg. Earnings	2013 Jobs	2023 Jobs	% Change
ADVANCED MANUFACTURING					
3252	Resin, Synthetic Rubber, and Synthetic Fibers	\$102,121	63	n.a.	n.a.
3259	Custom Compounding of Purchased Resins	\$88,839	59	n.a.	n.a.
3323	Architectural and Structural Metals	\$56,667	757	862	14%
3327	Machine Shops	\$53,062	604	750	24%
3329	Other Fabricated Metal Products	\$70,229	1,234	1,069	(13%)
3339	Other General Purpose Machinery	\$85,525	1,179	1,361	15%
DISTRIBUTION / WAREHOUSING					
42	Wholesale Trade, Durable and Nondurable Goods	\$49,710	2,601	2,804	8%
4931	Warehousing and Storage	\$43,845	86	102	19%
PROFESSIONAL SERVICES / NETWORKED ENTREPRENEURIAL PROFESSIONALS					
5416	Management, Scientific, Technical Consulting	\$53,011	402	538	34%
5419	Other Professional, Scientific, Technical Services	\$30,055	330	391	18%
5511	Management of Companies and Enterprises	\$43,274	663	665	0%
URBAN AGRICULTURE / AGRIBUSINESS					
3113	Sugar and Confectionary Products	\$36,800	32	46	44%
3114	Fruit and Vegetable Preserving/Specialty Foods	\$59,504	1,046	940	(10%)
3115	Dairy Products	\$53,229	935	943	1%
3118	Bakeries	\$46,813	458	437	(5%)
3119	Other Food Products	\$58,992	257	268	4%
3121	Wineries	\$53,481	238	338	42%

Recommended Target Industries: Earnings and Jobs – State of NY

NAICS Code	Industry Description	State 2013 Avg. Earnings	2013 Jobs	2023 Jobs	% Change
ADVANCED MANUFACTURING					
3252	Resin, Synthetic Rubber, and Synthetic Fibers	\$123,446	2,569	2,117	(18%)
3259	Custom Compounding of Purchased Resins	\$75,024	59	n.a.	n.a.
3323	Architectural and Structural Metals	\$62,947	13,869	16,713	21%
3327	Machine Shops	\$60,293	14,694	14,791	1%
3329	Other Fabricated Metal Products	\$72,788	7,828	8,316	6%
3339	Other General Purpose Machinery	\$84,571	14,609	18,358	26%
DISTRIBUTION / WAREHOUSING					
42	Wholesale Trade, Durable and Nondurable Goods	\$87,030	339,580	366,530	5%
4931	Warehousing and Storage	\$51,809	20,163	22,279	10%
PROFESSIONAL SERVICES / NETWORKED ENTREPRENEURIAL PROFESSIONALS					
5416	Management, Scientific, Technical Consulting	\$115,211	79,425	103,140	30%
5419	Other Professional, Scientific, Technical Services	\$58,759	51,003	62,054	22%
5511	Management of Companies and Enterprises	\$165,133	133,866	149,326	12%
URBAN AGRICULTURE / AGRIBUSINESS					
3113	Sugar and Confectionary Products	\$54,900	2,920	2,924	0.1%
3114	Fruit and Vegetable Preserving/Specialty Foods	\$54,512	5,672	4,837	(15%)
3115	Dairy Products	\$64,966	8,777	9,603	9%
3118	Bakeries	\$34,274	21,744	23,007	6%
3119	Other Food Products	\$68,784	6,207	6,018	(3%)
3121	Wineries	\$68,523	6,231	6,128	(2%)

Target Industry Recruitment Strategies

It is important that the City of Olean implement recruitment strategies that build from its strengths to attract the recommended target industries to the BOA. For many regions, post-recession recruitment strategies are receiving renewed emphasis as key components of an economic development marketing plan. The recovering economy portends a very different, less lucrative recruiting landscape, characterized by heightened competition from aggressive cities and states.

Recommended Recruitment Strategies

Herron Consulting recommends the following target industry recruitment strategies. The strategies are realistic and achievable actions that the City of Olean and stakeholders should begin to implement now. They can be included in a comprehensive economic development marketing plan.

Strategy 1 – Expand and Deepen Personal Relationships

Successful marketing programs take advantage of personal relationships.

- Meet with relevant state, regional and local government agency project managers and economic development organizations to inform them about the completion of this study and the recommended target industries the City of Olean intends to pursue for economic growth, new jobs and investment.
 - Promote Olean and the BOA as an appropriate location for expanding and new businesses in the industry sectors.
 - Discuss how Olean can work with them to attract the target industries, and how Olean can become more visible in their marketing and recruitment efforts.
- Engage in similar types of meetings with regional employers, particularly managers of national and global companies.
 - Describe Olean's advantages for their next corporate expansion or relocation, and convey to them that your objective is to assure their business is successful.
 - Ask for their assistance in gaining introductions to their appropriate headquarters staff.
- Meet with industry experts at Empire State Development, Buffalo-Niagara Enterprise, Cattaraugus County Industrial Development Authority, regional utilities, and selected colleges and universities to learn about the State's target industries.
 - These industry experts can be an excellent resource for identifying the trade shows and trade journals which focus on the target industries.

- Solicit their input in identifying industry specific issues that might be considered in developing Olean's collateral material.
- Continue these meetings on a regular (semi-annual) basis. Provide color promotional brochures and collateral materials (see below) to meeting attendees for their information and use.
- Cultivate professional networks by joining/maintaining membership in professional organizations for educational purposes and to develop a network of peers and consultants who are active in economic development. Examples include New York State Economic Development Council, International Economic Development Council, and the Industrial Asset Management Council.

Strategy 2 – Establish an Education And Workforce Committee

- Bring education institutions and local employers together to establish an education and workforce committee which collaborates to improve workforce preparedness, including “soft” skills and lifelong learning
- Meet regularly with key education leaders, education institutions, and local employers since all have a critical role to play in economic development. They must be partners in the process to better support community objectives by ensuring education and training align with employer needs.

Strategy 3 – Engage in Direct Outreach To Decision Makers

- Based on the information obtained and the corporate contacts identified in Strategy 1, implement a direct communication and follow-up program with potential prospects in the target industry clusters.
 - Prospects should include large and small businesses and entrepreneurs. Entrepreneurs have great leeway in making critical decisions that could lead to locating operations in the BOA.
 - Consider offering to pay travel expenses of selected prospects who agree to visit Olean.
- Undertake an outreach program to corporate site consultants, real estate brokers, and other location decision-makers.
 - Outreach should be by mail, phone, e-mail, meetings, and by posting and responding to messages on social media sites, for example, LinkedIn, Twitter and Facebook.
 - Inform them about the completion of this BOA study and the target industries the city intends to pursue for economic growth and diversification and increased jobs and investment in the BOA.

- Learn how Olean can work with them to meet their/clients' needs.
- Continue this outreach on a regular basis.

Strategy 4 – Engage In Shared Activities

- Participate in integrated economic development marketing programs with Empire State Development and other state agencies; Cattaraugus County Industrial Development Authority; Chambers of Commerce and other economic development organizations in the county, region and state; utilities; and other relevant entities.
- Participate in recruitment trips which are sponsored by the state, county, Buffalo – Niagara MSA and others.

Strategy 5 – Enhance Olean’s Internet Presence, Print Brochures and Collateral Material

- Update the City of Olean’s website with key findings and information from this Brownfield Opportunity Area study, and include a list of the recommended target industries and clusters. Coordinate the logo, colors and message with those on color promotional brochures and collateral materials.
- Actively maintain and update your presence on appropriate social media sites.
- Develop color promotional brochures with pictures that highlight the business climate and the strengths of the City of Olean, the BOA, and the strategic brownfield redevelopment sites; quality of life, and target industries. Make sure the logo, colors and message are consistent with those on the collateral materials and website.
- Prepare other collateral materials, such as fact sheets and maps, which should be used as the starting point to respond to requests in a customized manner. Make sure the logo, colors and message are consistent with those on the website and color promotional brochures.
- Solicit relevant testimonials from local business owners and managers, business organizations, arts organizations, etc. Include these prominently on the community’s website and promotional/collateral marketing materials.

Strategy 6 – Continue To Invest In the Community

- Continue to invest in public services and infrastructure (public safety, streets, utilities, green space, etc.) which have the additional “side benefit” of being attractive to business and industry decision-makers.
- Support initiatives to expand retail offerings, especially hotels/ full-service restaurants.
- Support opportunities to develop in-town rental and upscale housing.

Strategy 7 – Produce Special Events

- Host a special event, such as a dinner with an interesting speaker or a tour, and invite selected state and local government officials, regional economic development organizations, business leaders, and consultants. This could grow into an annual event and a means for promoting the community and educating guests about the desirability of the City of Olean and the BOA as a place to work and live.
- Offer to host some of the regularly scheduled meetings of local professional and business associations in an appropriate venue in the BOA.

Strategy 8 – Participate In Trade Shows

- Attend key industry trade shows that are relevant to the target industry clusters for educational, professional development, networking and marketing purposes.
 - Obtain the attendee and sponsor list for a trade show before it begins, if possible, to determine if any are potential target industry prospects or corporate decision-makers that might be interested in the community as a location for their businesses and clients. Send a mailing or e-mail in advance and try to arrange appointments with selected attendees. Enter these into a prospect/contact data base for recruitment and marketing purposes.
 - Walk the floor of the trade show and converse with general participants and exhibitors to keep abreast of industry trends.
 - If the State of New York, Cattaraugus County or other stakeholders are attending the trade show, participate as a member of this joint delegation. If any of these have a booth, “work” the booth, add Olean and BOA exhibits, and share the cost.
 - Follow-up in a customized and very timely manner with potential prospects, corporate decision-makers, site consultants and relevant others who were met at the trade show. Follow-up can be by letter, phone call or e-mail. Always make sure all requests are acknowledged; all questions are answered; and relevant information about the City of Olean and the BOA, such as a Target Industry Fact Sheet and a map, is provided. Repeat follow-up will be necessary.

Strategy 9 – Consider Print Advertising

- Consider advertising in trade journals as budgets permit, but be forewarned that subscription or circulation information is not a reliable indicator of likely success. Herron Consulting has requested “proof” from publishers, but there is no reliable information documenting the effectiveness of print advertising for community economic development.

Organizational Recommendations

The City of Olean has prime responsibility for facilitating economic development in the community. At the present time, however, the community does not undertake any formalized business retention or recruitment initiatives and does not have an internal expansion or entrepreneurial development program.

Several interviewees mentioned Olean used to have an industrial management council, and suggested efforts be made to restart this organization. They indicated the community has a growing number of companies who would likely join.

Several organizations and stakeholders are involved in economic development in Olean and can and do assist with economic development opportunities and initiatives when requested on an as-needed basis. These include:

- Greater Olean Area Chamber of Commerce
- Cattaraugus County Industrial Development Authority
- Empire State Development, Buffalo – Niagara Enterprise and other county and state government departments and agencies
- Business and banking community, other employers, stakeholders and residents
- Utility companies
- Jamestown Community College, St. Bonaventure University, SUNY, and other post-secondary educational institutions

Economic development is a “team sport” where all the players have a role and success is built upon experience, expertise, skill, trust, collaboration, respect, commitment, proactiveness, flexibility, and responsibility. In general, successful economic development and marketing activities are highly personal and involve establishing and maintaining positive relationships.

Good, collaborative leadership is critical since the leader(s) must steer economic development in a proactive, positive direction for the short and long-term benefit of the community overall.

The stakeholders we interviewed for this study reported that the economic development climate in the City of Olean is better than it has been in the past, and much of this is due to an increased emphasis on economic development by the City (Mayor, Council, and staff). There is more collaboration and trust. Existing working relationships are being strengthened, and new relationships are being formed. The same is true for the other organizations and entities involved in economic development.

Economic Development Organization

Given the different players and interests represented in the economic development community, Herron Consulting recommends an organization be established to coordinate and focus energies on economic development in the City of Olean and the BOA. We also recommend the

organization be structured as a public-private partnership, a best practice that is growing in popularity and success.

Effective public/private partnerships are exactly what they say they are – partnering to share responsibilities and resources of the public and private sectors in a community (or region). They provide opportunities for the public and private sectors to jointly participate, communicate, network, and get directly involved in economic development. The structure for public/private partnerships varies, but we believe those that are structured 50/50 foster greater trust and collaboration and, in the end, more effective and efficient execution.

There are numerous benefits that can be generated from effective public/private partnerships, including:

- The ability to “tap into” a larger pool of public, private and philanthropic funds to support economic development programs in Olean and the BOA, and joint marketing activities with local and state partners.
- The ability to leverage the knowledge and resources of additional Olean partners.
- Organizational efficiencies and ability to expedite corporate site selection decisions being made by prospects, existing industry, new start-ups/entrepreneurs and other investors and decision makers.
- The opportunity to demonstrate community consensus, cohesiveness, collaboration and broad support for local initiatives and proposed new community investments that support economic development. This expression of common purpose and willingness to support development will also lessen perceived risk by businesses considering making new investments in Olean and the BOA.

Every economic development organization is unique, as roles and services are defined by the community that it represents. Some of the services the Olean / BOA economic development organization might provide include:

- Business retention and attraction
 - Business retention is critical since 70% or more of internal growth in a community can come from existing employers and retention programs
- Functioning as the focal point for prospect visits by consultants and corporate decision-makers
- Local education and consensus-building on issues that will impact economic development success; for example, the need for additional spending to support improved infrastructure, public education, etc. and the anticipated return on investment.
- Developing general agreement on a value proposition reflecting community values, and promoting a positive environment for new business start-ups and entrepreneurs
- Marketing the City of Olean and the BOA to internal and external audiences

- Maintaining and expanding relationships, including with state agencies that can directly or indirectly impact local economic development
- Land and building acquisition
- Incentives analysis and recommendations.

A dedicated economic development entity and staff would go a long way toward establishing and maintaining strategic relationships with other organizations and stakeholders involved in economic development and conveying the benefits of Olean and the BOA to the regional and state economic development community.

Time is of the essence! Without a dedicated effective economic development organization, Olean and the BOA are in danger of not effectively competing with other communities to hold onto existing businesses; being unable to attract new businesses engaged in fast track site selection decisions; and not offering maximum support for indigenous business start-ups and entrepreneurs.

Next Steps

The groundwork for establishing the recommended public-private partnership economic development organization involves a number of next steps, including interviews, workshops and best practice research. This is beyond the current scope of services, but is one the Bergmann consulting team can undertake in a subsequent phase of work for the City of Olean BOA.