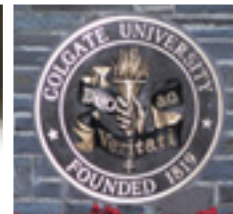




# Madison County Economic Development Strategy

- Brookfield
- Canastota
- Cazenovia
- Chittenango
- DeRuyter
- Earlville
- Eaton
- Fenner
- Georgetown
- Hamilton
- Lebanon
- Lenox
- Lincoln
- Madison
- Morrisville
- Munnsville
- Nelson
- Oneida
- Smithfield
- Stockbridge
- Sullivan
- Wampsville





## THE PURPOSE OF A LOCAL ECONOMIC DEVELOPMENT STRATEGY

An economic development strategy provides a community with a clear understanding of their current economic situation, identifies potential opportunities as well as challenges for economic growth, and defines the efforts required to achieve specific goals. A strategy is typically established for a ten to twenty year horizon and addresses the multiple facets of economic development at the local level including organizational structure, resource development and allocation (provision of basic public services, supply of qualified labor, capacity and accessibility of reliable utilities, availability of land and buildings, capital resources, favorable tax and regulatory policy, etc.), and the growth of specific target industries that will produce jobs and new wealth for the community.

An important part of the strategy is to promote a broad range of economic initiatives that not only help strengthen existing businesses, but also help to diversify the employment base through the start-up of new companies and the attraction of businesses to the area. Since the employment levels of any given company never stay constant, it is important to continually support expansion of the local economy with new opportunities. This approach helps insure jobs for the next generation seeking employment in the community.

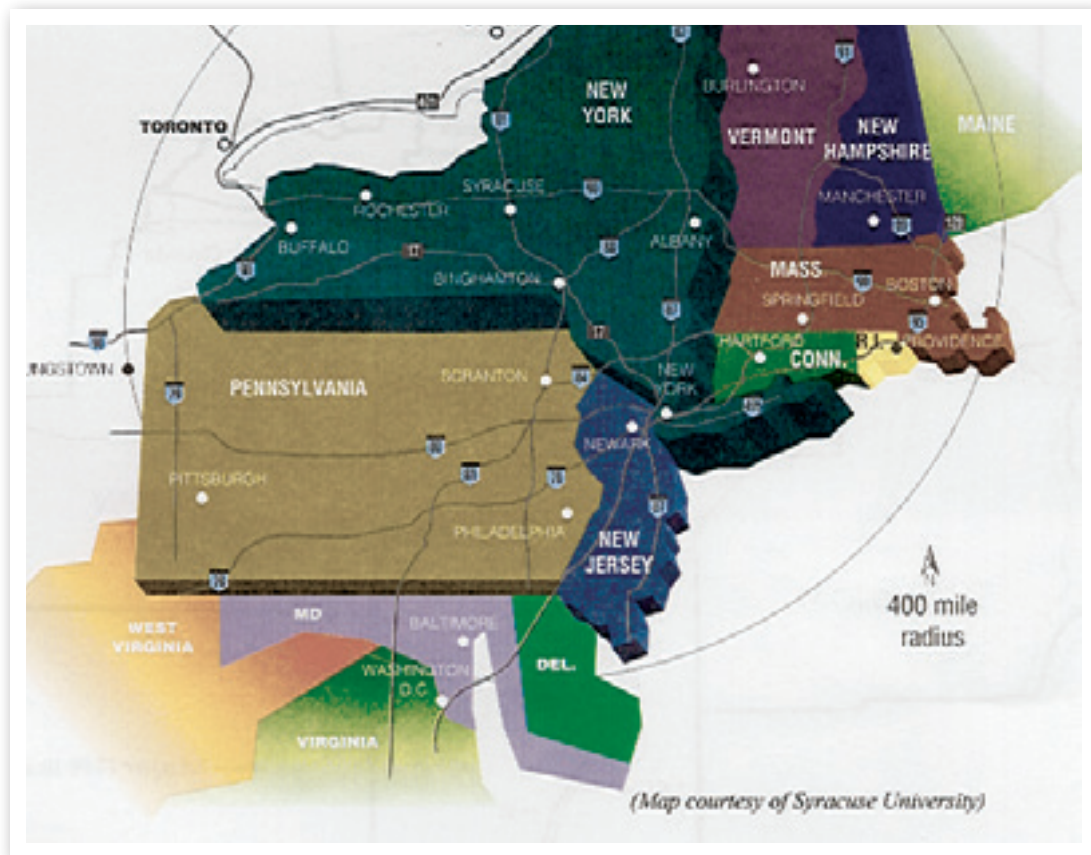
To carry out this economic development mission, considerable attention must be paid to forces in the marketplace that will affect the likely success of any particular economic development initiative. In today's global economy, these forces operate on the international, national, regional, and local levels. Compounding the challenge is the need to pay close attention to the broad range of employers in a community, from the traditional large scale manufacturing firm to the entrepreneurial start-up with plans to introduce a new niche product or service into the marketplace. Attention must also be focused on key industry sectors in a community such as advanced manufacturing, professional and business services, agriculture, and tourism. In addition, the large institutional employers in a community such as colleges and universities, hospitals, and utility providers must be recognized. These institutions serve as major economic engines with their own set of resource needs and associated economic development opportunities.

When preparing an economic development strategy for a community it is important to start with a common understanding that the public sector has traditionally provided services to support business and commerce at the local level. These services cover a broad range of activities including governance, public safety, roads, sewer and water, education, recreation, solid waste management, environmental and public health protection, and the overall advancement of the common welfare. Maintaining the delivery of these vital public services in an affordable and efficient manner must be the starting point for any concerted effort to support the growth of a local economy. Building on these resources, attention can then be focused on the tools available in the public sector that can support job retention and creation in a market system based upon the concept of free enterprise. In today's competitive world, the application and use of these tools often requires an entrepreneurial and proactive approach at the government level.

## THE PROCESS USED TO DEVELOP THE STRATEGY

Preparation of the Madison County Economic Development Strategy was initiated by the Madison County Board of Supervisors in 2010 under the direction of the Planning, Economic Development, Environmental, and Intergovernmental Affairs Committee and a Steering Committee formed by the Chairman of the Board of Supervisors. Interest on the Steering Committee included representatives from the County Legislative Planning Committee, the Madison County Industrial Development Agency, the Madison County Department of Planning, Madison County's Office of Workforce Development, Madison County's Department of Health, City of Oneida Department of Planning and Development, Cornell Cooperative Extension of Madison County, Madison County Tourism Office, and the CNY Regional Planning and Development Board.

The development of the strategy was based in part on a process that built upon a very thorough gathering of facts about the state of the local economy. This information was supplemented by input obtained from local and outside experts representing a broad range of industry sectors. In addition, reference was made to several related planning documents including work that was recently completed by the CNY Regional Economic Development Council on a five-year strategic economic development plan. At the conclusion of this background work, the Steering Committee formulated a goal and a broad set of recommendations. In formulating these recommendations, specific emphasis was placed on steps that can be taken by the County, working in conjunction with various departments and affiliated organizations, to support economic growth in the community. This work has been summarized into a draft report titled the Madison County Economic Development Strategy. The draft strategy will be finalized and presented to the Madison County Legislative Planning Committee for review and approval. At the conclusion of this process,



the Legislative Planning Committee will present the strategy to the Madison County Board of Supervisors for final approval. The current schedule is to have this process completed by December 2012.

## OVERVIEW OF THE ECONOMY AND MADISON COUNTY PROFILE

A review of the information presented in this report shows that the preparation of an economic development strategy must be carefully calibrated to account for developments which are occurring on an international, national, and regional level. As noted in a World Economic Outlook Update issued by the International Monetary Fund in July 2012, “In the past three months, the global recovery, which was not strong to start with, has shown signs of further weakness. Financial market and sovereign stress in the euro area periphery have ratcheted up, close to end-2011 levels. Growth in a number of major emerging market economies has been lower than forecast. Partly because of a somewhat better-than-expected first quarter, the revised baseline projections in this *WEO Update* suggest that these developments will only result in a minor setback to the global outlook, with global growth at 3.5 percent in 2012 and 3.9 percent in 2013, marginally lower than in the April 2012 *World Economic Outlook*. These forecasts, however, are predicated on two important assumptions: that there will be sufficient policy action to allow financial conditions in the euro area periphery to ease gradually and that recent policy easing in emerging market economies will gain insufficient policy action. In Europe, the measures announced at the European Union (EU) leaders’ summit in June are steps in the right direction. The very recent, renewed deterioration of sovereign debt markets underscores that timely implementation of these measures, together with further progress on banking and fiscal union, must be a priority. In the United States, avoiding the fiscal cliff, promptly raising the debt ceiling, and developing a medium-term fiscal plan are of the essence. In emerging market economies, policymakers should be ready to cope with trade declines and the high volatility of capital flows”

Supplementing this information is an overview of the current condition of the NYS economy as provided by the NYS Comptroller’s office in May 2012. This report noted that New York’s Gross State Product (GSP) rebounded strongly after the recession, with the rate of growth exceeding the nationwide increase and ranking second among the 50 states in both 2010 and 2011. However, New York’s rate of growth eased from 5.1% in 2010 to an estimated 3.8% in 2011, and IHS Global Insight forecasts that the State’s GSP will slow to 2.6% in 2012. The report also noted that between December 2009 and April 2012, NYS has regained 312,700 jobs, nearly 95% of the jobs lost during the recession, and that New York has added more private sector jobs (335,900) during the recovery than it lost during the recession, but these gains have been offset by 23,200 jobs lost in the government sector.

Regarding employment, it was noted that job growth has been uneven across that State and the unemployment rate exceeded the Statewide rate of 8.5% in more than half of New York’s counties (33 of 62), including eight counties in which the rate was 10% or greater.

In a previous report issued by the Comptroller in October 2010, it was noted that the State’s population is projected to increase from 18.5 million in 2010 to 20.5 million over the next ten years, with most of the State’s population growth occurring in the NYC metropolitan area.

Looking more closely on a regional and local level, data presented documents that the population base in Central New York and Madison County has stabilized in recent years following a sharp decline that took place from 1985–1995. In looking at these figures, it is important to note that the area’s population is now at the highest level it has ever been in the history of this region growing from a total of 572,408 in 1950 to 791,939 in 2010 and

correspondingly the region's labor force totals over 394,600 workers. While CNY is clearly not experiencing the level of population growth as other parts of the country, the fact the population base has stabilized and the labor force remains strong is important to the region's effort to retain existing businesses in the area and attract new companies to Central New York. This point is particularly noteworthy since there is very little that can be done on a public policy basis at the local level to influence what is generally considered a long term trend in a community that is directed by economic forces at play in the marketplace.

Other demographic factors that were reviewed for the region show that the area's per capita income of \$36,833 is comparable with similar sized metropolitan areas and has increased in recent years in a manner that is consistent with general trends across the State and nation. This increase suggests that the area's economy has been able to support salary increases at a time when economic forces continue to create a great deal of turmoil in the marketplace. One area of real concern in looking at the demographic data is the aging of the region's population base. One of the factors contributing to this dynamic is the lack of significant population growth in the area. Again this issue is very difficult to address at the local level but suggests that efforts to support a strong employee retraining program and resident retention and recruitment program are needed to address a possible workforce shortage in Madison County.

Education data clearly suggests that the Madison County is in a strong position to provide the educated workforce needed by employers today and decisions at the State and local level to expend significant resources on public education continues to pay dividends for many communities across Upstate New York. At the local level, these dividends are reflected in the graduation rates, test scores, and higher education career plans of students graduating from the many K–12 programs in Madison County. Regionally, much attention is given to the institutions of higher education in Upstate New York which currently number over 44 with a student population of more than 215,000. These colleges and universities are economic engines for many communities in Upstate New York given their employment levels and provide the career training demanded by businesses in the marketplace today.

On the economic front much has been made in recent years about the diversity of the region's economy which has proven to be a real benefit to the area as residents struggle with the nation's current economic recession. In December 2010, it was estimated there are 320,100 jobs in CNY, including 262,700 (81.8%) in the private sector with 40,000 in goods-producing and 280,100 in service-producing jobs. In reviewing this data, it is important to note that this economic diversity is consistent with similar patterns taking place in many parts of the country and is a reflection of a natural shift in the nation's economy and not the result of some major public policy initiatives which have been implemented at the federal, state or local level. A closer look at the data by industry sector shows that this area's decline in manufacturing is very similar to data shown for NYS and the nation, and the growth in the service sector reflects a similar pattern. Despite the decline in manufacturing there are still over 28,000 jobs in manufacturing in the region which generate a payroll of more than \$1.7 billion, suggesting that this industry sector is worth significant public policy support in the years ahead. In reviewing this information, it is important to note that while there has been a general decline in manufacturing in recent years, there has also been a significant increase in employment in the region in professional/business services (34,600 jobs), education services (21,400 jobs), and in health care (42,200 jobs). Interestingly, public employment outside of education is shown to have declined 18.4% over the past 20 years from 28,200 in 1990 to 26,000 in 2000, and 23,000 in 2010.

With regard to the CNY labor force it is important to note that the region's labor force has remained very stable over the past 30 years fluctuating from 350,000 in 1980 to a high of over 391,000 in 2010. Data for this labor force



clearly shows that wage rates in the region are very competitive with labor costs across the country and oftentimes significantly less when compared with large metropolitan areas in the nation. Industry sectors paying the highest wages in CNY include manufacturing (\$56,000), professional and technical services (\$55,000), finance and insurance (\$55,000), and wholesale trade (\$54,000). Regarding unionization of the labor force, overall approximately 23% of the workforce is unionized. However, it is important to note that most of the unionized workforce is in public employment and the utility sector and only 12% of private employers are unionized.

In addition to the information that can be gleaned from the data are the opportunities presented by trying to capitalize on the list of major employers in CNY which include such prominent names as Cornell University, Syracuse University, SUNY Upstate Medical University, Wegmans, Lockheed Martin, Constellation Energy Group, the Hartford Financial Group, Welch Allyn, Verizon, Syracuse Research Corporation, Bank of America, Excellus BC/BS, Anheuser Bush, Air Force Research Lab, Cooper Crouse Hinds, Nucor Steel, Bristol-Myers Squibb, Novartis, Pall Trinity Micro, MONY Group, Marietta Industries.

Complementing these companies are the opportunities presented by the existence of several major employment clusters in Central New York. These clusters include biomedical, logistics and distribution, electronics, industrial machinery, materials processing, forest products, food processing, education and health care service.

Supporting the economic base of the area is a large commitment of public resources to a strong network of transportation assets in the region including major interstate highways, state routes, county and local roads, a regional commercial airport, and a port. Supplementing these public assets are numerous public water and sanitary sewer systems, public safety services, and various recreational assets. Many of these systems are developed and maintained at great expense for the benefit of private enterprise by State, county and municipal governments across Central New York. Also noteworthy is the extensive electric and natural gas supply systems that have been deployed across the area by major private utility companies and the NYS Power Authority. While the region's energy supply is fairly

robust and of sufficient quantity to meet anticipated demand, the cost of these energy resources are very high and oftentimes uncompetitive in the marketplace. It is important to note that the increasing demand for energy downstate and the desire to generate alternative renewable energy resources may create additional opportunities for energy production facilities in Upstate New York, particularly if a number of bottlenecks in the electric power distribution grid system can be addressed. Complementing these public resources is an extensive professional business service and banking network that exists in Central New York. This network provides a very robust and competitive array of services and financial resources to support economic growth in the region.

Regarding governance, information was presented which demonstrates the challenges facing government today to provide vitally needed public services and infrastructure while at the same time controlling costs. Data presented by the Tax Foundation shows that NYS is uncompetitive with other states when it comes to overall tax expenditures. These costs present a very challenging situation to the region's business community and often undermines efforts to attract and retain companies at the local level. A closer look at the data shows that local government expenditures in Central New York have increased approximately 3% per year over the past ten years. Much of these increases in expenditures can be attributed to State policies regarding the sharing of certain social service cost's with local government and mandated retirement benefits without appropriate levels of employee contributions.

To put all of this data in perspective, information was gathered from two research companies that compare regional economies using a broad spectrum of factors to measure the economic vitality of an area. This regional benchmarking analysis showed that Central New York is in a fairly competitive position ranking 162 out of 366 metropolitan areas in the nation in one study and 80 out of 366 metropolitan areas in another study. Each of these studies presented information showing that the region's economy has improved fairly dramatically over the past ten years when compared to other communities across the nation.





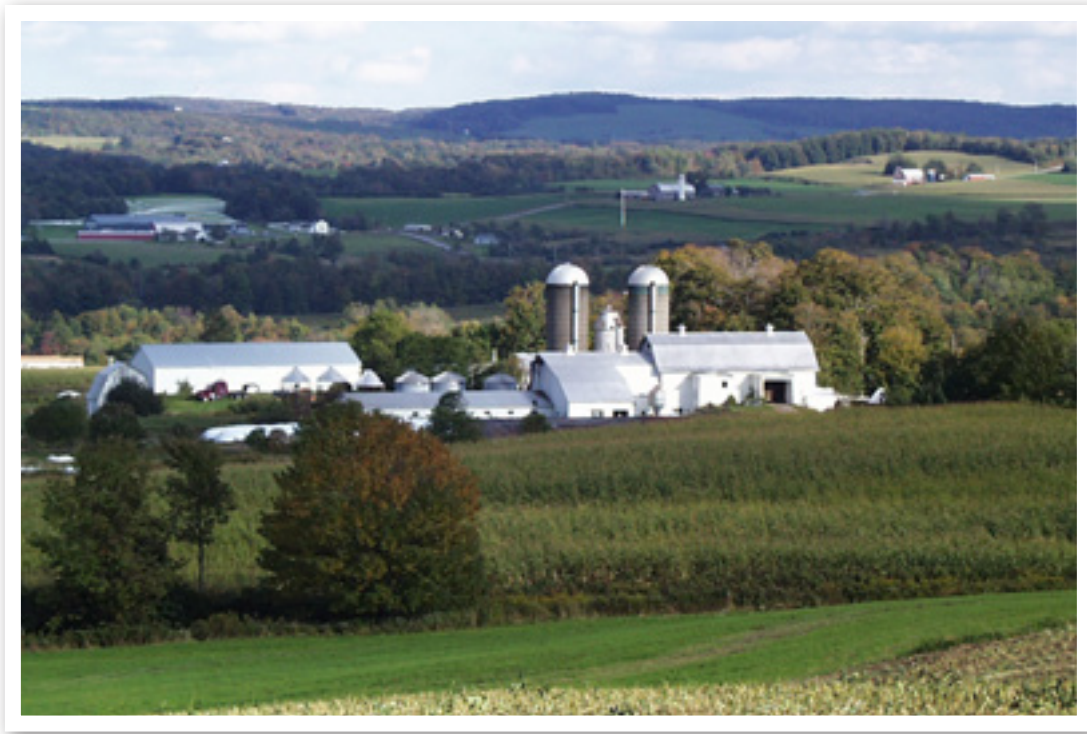
Looking more closely at county-level data revealed that in recent years Madison County's population grew more than other counties in Central New York and currently stands at a total population base of 73,442, which is the highest level in history. Financially the per capita income in the County increased 32% over the past ten years and was estimated to equal \$33,113 in 2009. Overall, the median age in the County is 39.8. On the education front, of the County's population 25 years old and over, 16,962 residents are high school graduates, 5,551 have an associates' degree, 6,476 have obtained bachelor's degrees, and 3,637 have gone on to obtain their graduate or professional degree.

Economically, Madison County has a very diverse employment base with over 25,000 jobs distributed across a broad spectrum of industry classifications. In reviewing these figures it is important to note that the top ten employers in the County employ over 18,841 people; these employers cross a broad industry spectrum from manufacturing, to education, and health care. Major employers include Colgate University (855), Oneida Health Care (786), Morrisville State College (450), Ferris Industries (410), Esco Turbine Technology (370), Community Memorial (305), Marquardt Switches (294), Dielectric Laboratories (223), ARC (210), and GHD (150). Each of these companies and/or institutions of higher education or health care play a very significant role in the County's economy in terms of employment, net wealth generating activity, and investment in the community.

In addition to this group of large employers, there are over 1,400 other business establishments in the County of which a large majority employ fewer than 50 people. In fact, over 89% of the County's business establishments employ four or fewer individuals and the nonemployer/sole proprietorships outnumber wage-paying employers by almost 3:1. Taken together these large and small employers generate an annual payroll of over \$703 million with an average wage of \$33,586. Included in this total are 65 manufacturing establishments with a payroll of \$107 million. Targeting services to this mix of a few large and many small employers in the County is a tremendous challenge to business leaders and government officials today.

With respect to agriculture there are approximately 744 farms in operation in Madison County with an average sized farm of 253 acres. The total value of products sold by these farming establishments is \$86 million. Seventy-two% of these sales were for dairy products. Total farm employment is estimated to be less than 1,000 or less than 2.5% of the total county workforce and account for less than 1% of all wages paid in the County. Tourism numbers demonstrated the importance of this sector to the area's economy with estimates of \$70 million in visitor spending, over 1,600 employees, and \$4.5 million in sales tax revenue to the County. In a related category, information suggests that the County is losing some retail spending to neighboring counties. While not significant, the estimated loss of \$43 million in sales and \$1.7 million in sales tax revenue annually suggest that new retail business opportunities should be developed in the County to capture these expenditures.

In reviewing workforce data for Madison County, it is important to note that over 10,290 (32.4 % of workforce) County residents currently commute to Onondaga County and 3,715 to Oneida County for work. Persons are commuting for work in many industry sectors including manufacturing, wholesale and retail trade, finance and insurance, and various professional service and health care jobs. This workforce represents a potential source of new employees for existing businesses located in the County or new companies attracted to the community. To capture this resource, some attention will have to be given by area employers to the wages paid in Madison County, which are often below neighboring counties. Information regarding municipal governance and services suggest that Madison County is operating very efficiently with a per capita tax expenditure rate of \$1,491—one of the lowest rates



in NYS. Excluding local school districts, public employment at the local level has declined over the past ten years. Key services provided at the State and local level include an extensive road transportation system, public safety, a network of business parks, recreational assets, and a strong public school system with competitive graduation rates and reasonable costs. Complementing these services are various natural resources which are available to support tourism and alternative energy development in the County. These resources include extensive woodland biomass, wind energy, and water.

## GOAL AND RECOMMENDATIONS

Every healthy economy is comprised of three levels of employers. The most significant employers are the net wealth generators for a community and consist of the primary industries that not only provide local jobs but also infuse new money into a local economy through the sale of a product and/or service outside of the area. The next level of employers provide business support services for the primary industries. At the third level are employers providing consumer retail services to support the daily activities of local residents. It is important for an economy to have a diverse primary industry base that is supported by a network of smaller firms, which together generate sufficient wealth for the community to function as a modern day economy capable of meeting the basic needs of its citizens. In accessing these resources, it is important for local officials to acknowledge that every business, product, and service ultimately goes through a life cycle that may be measured in today's economy in months, years, or decades due to competition in the marketplace. At times, companies grow and become very successful only to be bought out by a larger firm, or the cost of production increases to a point that a company must move its operations to another locale to remain competitive. Essentially, no business can guarantee a community that it will be able to stay in operation forever, and communities must adapt to the constant ebb and flow of companies in and out of the local economy.

It is against this backdrop that the Steering Committee analyzed the local economy and formulated the following over-arching goal: **Madison County must direct its efforts to the growth of a diverse economic base that will provide employment opportunities for a broad cross section of its citizens across the entire county.** In keeping with this goal, the Steering Committee offered a series of recommendations to focus attention on several key areas including governance, business retention and expansion, business attraction, infrastructure and real estate development, manufacturing and the producer service industry, agriculture, retail and tourism, alternative energy development, and employee training and workforce development.

In developing an economic development strategy, it is important to acknowledge the important role played by local units of government to ensure that traditional public services are provided on a daily basis to business and residents across a community. In Madison County these services are provided, in part, through a formal legislative structure and professional County administrative office. Through these offices, the County has been able to maintain a complex road network and maintenance function, an effective public safety system and emergency communication service, a comprehensive solid waste system, records management, a range of public health and social welfare services, and an efficient tax collection system. As noted in the statistics, these services are provided very efficiently by the County with a per capita tax expenditure rate of \$1,491—one of the lowest rates in NYS. Complementing this work are the services provided at the State and local government level across Madison County. Key components of these services include additional highway and road maintenance activities, the provision of public water and sewer services, additional public safety personnel, public education, land use controls, environmental protection, and public recreation resources. To build on this strong foundation, the Steering Committee recommends the following action points:

- *Maintain a strong foundation for management and delivery of government services at the County and local government level*
- *Maintain an appropriate County legislative committee system to provide proper oversight and support for planning and economic development efforts in the County*
- *Establish an Economic Development Leadership Council at the County level with representation from business, government, and higher education*
- *Support efforts to address concerns regarding the costs of State mandated services and energy costs in NYS*
- *Maintain a County-supported office of economic development with appropriate professional and support staff*
- *Establish an institutional framework to identify organizational responsibility for completing various economic development projects in the County*
- *Investigate opportunities to standardize County and municipal forms and applications for permitting, zoning, and building code applications and for making these available on the County website*
- *Maintain a County-wide infrastructure resource data base with current information about the size, capacity, and condition of road, sewer, water, solid waste, electric and gas, and a telecommunication systems operating in the County*

- *Undertake a coordinated effort to use municipal controls to protect major development sites from encroachment of competing uses—i.e. residential and commercial*

The provision of public infrastructure is one of the most vital services that can be provided to the business community in Madison County. The principal issues of concern to businesses in this area are access and proximity to markets and sources of supply, either physically through transportation networks or remotely through the telecommunications network; the cost, convenience and reliability of access; and the availability of sufficient land or built space to accommodate business needs at present and in the near future. A significant number of recommendations have been developed by the Steering Committee that the County can undertake to help ensure the area's infrastructure resources meet the needs of a 21st century economy. Key recommendations on this list include:

- *Develop a comprehensive inventory of public infrastructure and major real estate resources in the County, including an assessment of brownfield development opportunities*
- *Develop a coordinated capital improvement plan for major State, County, and municipal infrastructure that supports economic growth in the County*
- *Complete development of a modern 911 emergency communication that is coordinated with deployment of a County-wide telecommunication system*
- *Continue development and maintenance of a County-based solid waste management system*
- *Continue efforts to develop the Madison County Agriculture and Renewable Energy Park*
- *Investigate the feasibility of establishing a county-based central heat and power plant at the County campus in Wampsville to create demand for biomass resources in the County*
- *Develop an inventory of major parcels of vacant land in the County and perform regular assessment of development potential of these parcels for many uses including a major retail outlet center, warehouse/distribution facility, a hotel/conference center, and senior citizen community*
- *Develop virtual building concept plans and pre-permitting at key business park/development sites in the County*

In addition to the provision of general government services, it is important to note in today's economic climate that many counties across the nation have formed dedicated economic development functions with full-time professional staff with responsibility for providing a range of services to support economic growth. The Madison County Industrial Development Agency (MCIDA) is the designated economic development agency for the County. The MCIDA is a public benefit corporation established under the provisions of NYS law with the authority to issue taxable and tax-exempt bond financing, elimination of sales tax on materials and equipment used for manufacturing, and the establishment of payment-in-lieu-of-tax agreements for the management of real property taxes and the elimination of mortgage recording taxes. The MCIDA is staffed by three full-time positions and has offices in the Village of Canastota. Capitalizing on the strength of this economic development office, the Steering Committee recommends a number of high priority initiatives be undertaken to support the work of the MCIDA including:



- *Represent the Madison County Center for Economic Development whenever addressing economic development efforts associated with Madison County*
- *Maintain a County-supported office of economic development with appropriate professional and support staff*
- *Maintain a comprehensive economic development strategy for the County*
- *Organize outreach meetings with municipal officials to familiarize these officials with the County's economic development programs*
- *Develop a plan and allocation of staff resources to maintain the County's economic development website*
- *Convene workshops of industry experts; develop a local "economic expert" roundtable to regularly review economic status, resources and opportunities for economic development*
- *Convene an annual meeting of the MCIDA office of economic development with the Board of Supervisors and invited guests*
- *Coordinate a formal outreach program and education initiative to area chambers of commerce, i.e. quarterly/semi-annual meetings*
- *Regularly evaluate IDA incentive programs and loan fund objectives to ensure they align with evolving economic development objectives, community needs, and competition in the marketplace*

Beyond these organizational initiatives, a great deal of attention is paid today to work that can be done at the County level to support economic growth through an organized business retention and expansion program. While

often undervalued as a strategy for economic development, business retention and expansion (BR&E) is nevertheless among the most common elements of a comprehensive economic development program. According to the International Economic Development Council (IEDC), two-thirds of all economic development organizations in the nation have BR&E programs, while less than half have business attraction programs.

There is a common adage in economic development that it is far easier to retain an existing employer than to recruit a new one. In fact, research has shown that most new jobs are created by existing businesses in a community rather than those relocating from elsewhere. In today's global marketplace, with industries rapidly consolidating and economic developers competing to lure new companies to their communities, business retention is even more important as part of an economic development strategy. Business retention and expansion programs typically include a wide variety of activities undertaken to retain and facilitate the growth of local businesses. The "tools" used in BR&E are many of the same items found in the recruitment toolbox: financial assistance, workforce training, information on available sites or buildings, assistance with permitting and licensing, export/procurement assistance, and so on. In some cases, the economic development organization (EDO) can provide services directly; in other instances, the EDO serves as a broker between the company and the source(s) of the assistance.

Because the services provided are based on the needs of the customer, BR&E depends heavily on a customer service orientation. Successful BR&E must begin with an effective outreach program to assess the needs, priorities, and concerns of individual businesses in cooperation with company owners and managers.

Based upon an analysis of numerous BR&E programs across the country and a review of the available staff resources and work that is being done by the MCIDA, the Steering Committee suggest that specific attention be given immediately to the following recommendations:

- *Convene workshops of local "economic experts" to review issues, resources, and opportunities for economic development in the County*
- *Establish a formal business outreach program in the County that coordinates the delivery of services provided by various agencies to the small business community*
- *Conduct formal outreach to various business service providers such as bankers, lawyers, and accountants to identify business development opportunities and needs in the County*
- *Complete a detailed inventory and contact list for major development projects/business opportunities in Upstate New York—Fort Drum, Albany Nanotech, Global Foundries, Turning Stone that may represent business development opportunities for local companies*
- *Support entrepreneurial initiatives and business networking forums at area colleges*
- *Support regional and statewide efforts to foster formal relationships with venture capital providers and angel investors to support entrepreneurial development in the County*
- *Maintain a competitive business incentive and small business loan program at the County level*

While a comprehensive business retention and expansion program must be a cornerstone to the County's economic development program, data provided by various site location experts suggest that resources should also be directed to a targeted business recruitment program. In trying to recruit a company to a community, officials must

have some understanding of the global stress factors that are impacting companies today and how these factors may influence a company’s decision to expand or relocate their operations to a new community. In reviewing these factors, considerable attention must be focused on high-growth industries and the potential to capitalize on certain industry clusters which exist in Central New York. In addition, the County must recognize that the site selection process typically begins on an international or national level today, transitions into a regional and state search, before finally focusing on a set of recommendations regarding potential host communities. While surprising to many, the site selection process is often characterized as a process of elimination that places a premium on communities being “ready-for-development” long before prospect interest is ever known to a community. Given Madison County’s location between the Syracuse and Utica/Rome metropolitan areas, the strong population and labor force base in the region, and the availability of a well developed infrastructure system, the Steering Committee recommends that a carefully structured business recruitment program be continued in the County with an initial focus on the following initiatives:

- *Develop a target industry business recruitment plan based in part on certain industry sectors and employment clusters that currently exist in CNY, including renewable energy, medical instruments, food processors, information/financial back office services, pharmaceuticals, warehouse/distribution*
- *Capitalize on proximity to major food processors based in NYS to promote the County as a viable location for food processing facilities*
- *Pursue opportunities for back office operations looking to expand/relocate from major metropolitan in the Northeast*
- *Pursue foreign investment opportunities through existing industry contacts in County*
- *Undertake a coordinated outreach campaign to college alumni through advertisements in alumni magazines if financially viable to undertake*
- *Develop and maintain relationship with key site selectors that serve key industry sectors appropriate for growth in the County*
- *Encourage a regional effort to inventory major companies with operating facilities in small town/rural locations in other parts of the country—target these companies for marketing*

Most of the activities that can be undertaken to support the manufacturing and producer service industry are typically addressed in a comprehensive business retention and expansion program. However, the significance of these two sectors to any local economy deserves careful consideration and attention by the local economic development staff. This observation is certainly relevant in Madison County where manufacturing still holds an important position in the County’s employment base and serves as a significant generator of new wealth for the community through the sale of products onto a regional, national, and international marketplace. Likewise, the producer service industry is another important economic component to the County led by the location of three institutions of higher education in the community along with several professional business establishments, and a number of important health care providers. To capitalize on these resources the Steering Committee recommends:

- *Continue efforts to develop a meat processing facility to assist local dairy and beef farmers*

- *Capitalize on opportunities to develop relationships with major food processors in the Northeast*
- *Seek to identify supplier network opportunities to serve local manufacturing companies*
- *Complete a detailed on-line inventory of major vocational and technical training programs available to serve area industry needs*
- *Pursue relationship with plant managers*
- *Support efforts by CenterState CEO's Project ION, an internship outreach program for companies in CNY*

In addition to these two major industrial sectors, information gathered in this strategy suggests that the County should continue to focus attention on several other sectors in the local economy including agriculture, retail, and tourism. While each of these sectors plays a relatively small role in the overall structure of the County's economy, their importance to certain segments of the local community and potential to generate or retain wealth in the area warrants consideration.

In considering these other economic sectors, agriculture drew a significant amount of attention from the Steering Committee as work was done on the overall goal and recommendations for the County. As noted in the strategy, agriculture is a relatively small part of the County's overall economy in terms of employment, wages, and the value of economic output. However, the rural nature of much of Madison County forms an important part of the County's image and is a distinct consideration when assessing the quality of life in the County. Moreover, the potential for additional economic development stemming from changing demographic taste and product demands on a national and regional level offer some promising opportunities for area farmers and food processors in the community. To capitalize on some of these opportunities, the Steering Committee considered a long list of initiatives some of which are highlighted in the following recommendations:

- *Maintain an Agriculture Economic Development staff position at the County level*
- *Develop a detailed inventory of farm resources, products, and services and place on-line*
- *Inventory major agriculture initiatives and commercial enterprise developments on a regional basis to identify agriculture supply side opportunities in the County*
- *Secure funds to support alternative crop / niche value-added product development*
- *Pursue business development opportunities in major metro area food centers with a focus on niche agriculture products produced in the County*
- *Promote niche products for major markets such as NYC*
- *Complete a detailed inventory of natural resources and under-utilized land inventory in the County as basis for alternative crop production*
- *Develop a program to help capitalize on the value of under-utilized and marginal land resources in the County*

While the retail sector is not known for creating high paying jobs generally, it is a major source of entry level and part-time job opportunities. The retail sector can also play a large role in improving the quality of life in



communities as part of a revival of main streets in smaller towns and cities and by the improvement in the convenience of needed products and services in more rural areas. When evaluating information regarding this sector of the economy, it is important to note several national trends which may affect the retail business opportunities in Madison County. These trends include a general down-sizing and closing of unprofitable large chain retailers, a shift in buying patterns to discount destinations to replace lifestyle centers, a more cautious approach to spending among some elements of the “millennial generation”, and a continuing migration of retail sales to the internet.

Information regarding the retail sector in Madison County suggest that there may be opportunities to create additional jobs and capture sales revenue that is currently being lost to neighboring areas in Onondaga and Oneida Counties. This “retail leakage” is estimated at \$41 million per year. If the retail opportunities represented by this outflow of dollars were directed to certain communities and areas in the County, additional community benefits could be realized from this employment sector.

Based on these factors, the Steering Committee suggests that a very targeted approach be undertaken to help support the growth of the retail sector in Madison County and recommends the following action:

- *Complete a detailed “Buxton” study of retail leakage and opportunities in major retail centers in the County—City of Oneida and villages/hamlets across the County*
- *Investigate the feasibility of establishing an office of “Main Street” coordinator to support retail development in selected villages and hamlets in the County*
- *Establish a micro-lending program to support niche market retail opportunities in selected community centers /main streets*
- *Inventory resources available from the National Main Street program and market these services to communities and businesses in the County*
- *Identify key under-utilized and vacant property/buildings in retail centers across the County and target for redevelopment*
- *Coordinate main street activities with various college and university initiatives and development opportunities*



- *Investigate the feasibility of establishing a major discount outlet center at Thruway exit 34 in Canastota*
- *Investigate the economic impact and opportunities for attracting a destination retail center to the County*
- *Implement a “Buy Local” marketing program in the County*

In many communities across the nation, tourism has become recognized as an important component of an area’s economy and an economic sector that can benefit directly from concerted actions taken at the local level. In viewing this sector it is important to note that data shows that tourism visitor spending in NYS exceeded \$14.9 billion in 2008. On a regional level, approximately \$1.76 billion of this visitor spending took place in the Central Leatherstocking region and \$2.67 billion was spent in the Finger Lakes region. This spending is estimated to support more than 1,600 jobs in the area. In reviewing these figures it is important to note that tourism acts much like a net wealth generating industry by attracting dollars from outside the community and stimulating development of retail and service businesses. To capitalize on this business opportunity, the Steering Committee recommends continued operation and funding for the Madison County Tourism Development Office (MCTDO) and that the MCTDO and its partners undertake the following actions:

- *Complete a comprehensive inventory of major tourist attractions and resources in the County with data measuring levels of activity, attendance, and economic impact*
- *Develop a capital improvement plan for major tourism assets and resources in the County*
- *Develop an updated plan for the effective promotion, marketing, and funding of various recreation, cultural, and heritage sites in the County*
- *Utilize the strategic plan to complete an update of the County’s tourism website and market the website through the use of various social media outlets*
- *Closely integrate the County’s tourism marketing activities with other regional assets and attractions*
- *Improve the appearance and maintenance of visitor gateways to the County*
- *Pursue strategically located and coordinated development of a hotel/conference center with possible association with a hops/culinary/equine institute*
- *Establish micro-lending program to support tourism related business development in selected communities across the County*

In recent years the development of an alternative energy industry in the United States has received increased attention by public policy makers on a federal and state level. The impacts of climate change and the need to increase energy efficiency, reduce reliance on foreign oil, and address related international security threats are some of the issues driving the need for a national energy policy and practice. These public policy changes have created opportunities in the marketplace that can be used by communities to help create additional job opportunities on the local level. In viewing these opportunities it is important to recognize that alternative energy is not a separate industry sector in a local economy and development of alternative energy resources can incorporate a broad cross-section of several industrial sectors including utilities, manufacturing, professional services, construction, and agriculture.

Based upon developments in the marketplace and a preliminary assessment of the County's natural resources, the Steering Committee suggests the following recommendations regarding alternative energy development:

- *Undertake a coordinated effort to develop institutionally-based central heat and power plants in the County to expand the market demand for biomass resources in the area*
- *Undertake community-based alternative energy initiatives at ARE Park—i.e. wind farm, central heat and power plant, micro-hydro, and solar*
- *Monitor research and demonstration projects promoted by organizations such as SUNY-ESF, U.S. DOE National Renewable Energy Laboratory, Biomass Energy Research Center, Morrisville College (renewable energy center) and Colgate (willow biomass) for development opportunities in the County*
- *Inventory State forest and under-utilized land resources in the County as basis for development of energy resources and crops*
- *Obtain detailed guidance regarding access to State forest resources as basis for biomass energy initiative*
- *Develop an inventory of County waterways and dams to assess micro-hydro potential.*
- *Seek federal and state funds to support biomass crop assistance program*



The availability of a trained or trainable workforce may be one of the most crucial ingredients in any decision by today's businesses to expand or relocate. The development of specialized skills is an expensive undertaking for any company and the availability of a pool of workers ready to be productive is a major attraction for local and relocating firms alike. Having such a workforce is key to Madison County's ability to participate in the dynamic and highly competitive regional, national, and international economies of today. There are two essential challenges in this area:

keeping a viable local labor pool available as the population ages, and providing the right type of training at the right time for this workforce. Based upon these issues, the Steering Committee recommends several measures to help ensure the County has sufficient labor resources to support economic growth across a range of industrial sectors. These recommendations include:

- *Maintain an office of workforce development and employee training in the County*
- *Carefully inventory vocational and technology education programs on a County and regional basis as an information resource to area employers and site location consultants*
- *Disseminate information about available job training resources and case study projects to area employers*
- *Capitalize a small business loan/grant program to support employee training program in the County*
- *Develop a internship program for high school graduates and college level students with major area employers—public and private*
- *Investigate the merit of establishing additional specialized training programs to address economic development opportunities in the marketplace—see what other community colleges are doing across the country*
- *Develop a formal career-awareness outreach program to K–12 and colleges/universities*

The preparation of this economic development strategy represents a significant milestone in the community's efforts to promote a prosperous future for residents throughout Madison County. Like most effective plans of this type, the thoughts, strategies, and recommendations that are incorporated in the plan are not meant to be an exhaustive list of things that can be done by public officials to promote economic growth in their community. In fact, as has been well documented over the years, most of the hard work needs to be done in the private sector where the true entrepreneurial spirit of a community is unleashed in a strong free enterprise system. But the public sector clearly has a role to play in the economic health of a community and this plan is designed to help the County meet this obligation.

In reviewing this plan it is important to note that special emphasis was placed on trying to identify initiatives where the County can have a direct impact on their implementation. In addition, emphasis was placed in trying to balance out the many recommendations that were considered by identifying projects which might have a catalytic effect in the County. Given the purpose of the plan, limited consideration was given to trying to access the potential economic impact of the program recommendations that are presented. However, an effort was made to prioritize the recommendations in the form of a short, medium, and long term implementation horizon. Consideration was also given to identifying the various parties with responsibility for helping to implement the plan.

To be effective, this strategic plan must be widely and frequently circulated in the County. Citizens and businesses need to know that the County has a roadmap to help guide its economic development efforts in the years ahead. In addition, the plan must be updated on a continuous basis to reflect new economic data and information about the County. These updates must include an assessment of the success and failure of various program recommendations incorporated in the plan. In the end, the plan must be viewed as a tool which if applied effectively will help the County support a strong private sector that has many great employers, a tremendous workforce, and a reservoir of economic development assets to draw on at local, regional, state, and federal level regional level to support a strong economy in the future.







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